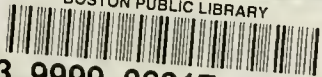


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VICTORY

OFFICIAL WEEKLY BULLETIN OF THE
OFFICE FOR EMERGENCY MANAGEMENT

Formerly **DEFENSE**

INDEX

JULY 1, 1941 to DECEMBER 31, 1941
VOL. II NOS. 27-52



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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

OCTOBER 7, 1941

VOLUME 2, NUMBER 40

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 1-----	1,582,000
Navy and Marine Corps, Sept. 1--	352,878
Nonagricultural workers, Aug-----	39,642,000
Percent increase since June 1940-----	11.6
18 defense industries, Aug-----	2,589,200
Percent increase since June 1940-----	60.8

FINANCE

June 1940-September 30, 1941 (Preliminary)

Authorized program-----	\$58,792,000,000
Army-----	24,607,000,000
Navy-----	18,978,000,000
Other agencies-----	15,207,000,000

PRODUCTION

Paid on contracts, July 1940-September 30, 1941-----	\$8,330,000,000
Military aircraft, September-----	1,914
Combat vessels in August-----	2
Merchant ships in August-----	9

Week ended September 27

Significant defense strikes in progress during week-----	Strikes	Workers
Number settled-----	4	3,885

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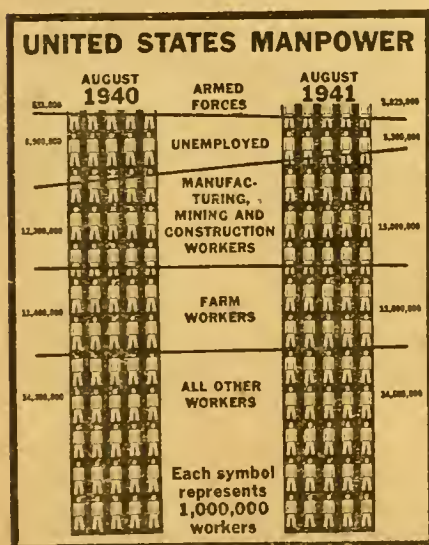
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Review of the Week in Defense

After a period marked by readjustments to guarantee the essentials of civilian life, the Office for Emergency Management last week intensified its efforts to supply more of the vital industrial materials to defense.

The Supply Priorities and Allocations Board, taking a long-term view of the emergency, approved a 10,000,000-ton expansion in annual steel capacity even though the construction will require 1.3 percent of present steel production for the next two years. OPM officials began preparing requests to Federal financing agencies for funds, and announced that OPM had previously approved projects for nearly 3,000,000 tons of the amount.

Refrigerator production cut

To conserve steel, aluminum, brass, chromium, copper, nickel, iron, tin, zinc, mica, neoprene and rubber, the Priorities Division ordered domestic mechanical refrigerator production for August through December cut 43.2 percent below average monthly factory sales in the 12 months ended June 30, 1941. The order was based on recommendations of the Civilian Supply Division.

Copper scrap and all lead were put under full priority control. An A-9 rating was given to "merchant steel" products for certain jobbers and hardware stores, some of which supply defense projects. The Priorities Division served notice that regulations do not permit a manufacturer to extend a preference rating from a defense order if his inventory is big enough to furnish the necessary materials and still leave a working minimum.

1,914 planes in September

A key to progress in production was furnished in OPM's announcement that military aircraft manufacturers delivered in September 1,914 planes—an increase of 60 over August and of 454 over July.

On the recommendation of the Petroleum Coordinator, the Priorities Division issued for October a new formula for a 10 percent over-all cut in gasoline de-

liveries on the Atlantic Coast. For individual States the amount deliverable is expressed in various percentages of the May-July 1941 average; for individual accounts within each State the amount is expressed in percentages of October 1940 deliveries.

Ceiling on wood alcohol

Continuing to tighten control of industrial chemicals, the Office of Price Administration placed a ceiling on prices of methanol from wood, which had got out of line with the synthetic product.

OPA also included copper and nickel silver in an amended brass mill scrap price schedule; set maximum prices on all grades of paperboard sold east of the Rockies; announced that top prices of aluminum scrap would be cut November 1 to match a reduction in the price of virgin metal, that maximums for carbon and low-alloy steel castings would be established at or below current levels, and that all iron and steel products sold through jobbers, dealers and distributors would be placed under a ceiling.

Carded cotton yarn prices

In other actions, OPA obtained agreement from major producers of furniture upholstery fabric to stabilize prices until November 10 at September 10 levels; put a ceiling on prices of all types of silk known to be in the United States; established maximums for all the ordinary commercial carded cotton yarns, keyed to the market price of "spot" raw cotton; and modified the system of reporting on rayon grey goods sales to avoid giving away the secrets of new weaves.

Price Administrator Henderson pointed out to manufacturers, wholesalers, and retailers that increased prices to consumers because of the new Federal manufacturers' excise taxes "should in no case reflect more than the actual dollar amount of the manufacturer's total excise tax."

The Contract Distribution Division meanwhile planned a "flying squadron" of engineers to visit plants threatened with priority unemployment and see if

they can be converted to defense work. The Labor Division revealed that surveys already had been made in six cities to prepare for readjustments in employment which will be necessary because of the cut in refrigerator manufacture.

The National Defense Mediation Board settled the war bonus dispute in the shipping industry and the union shop and wage issues at the American Brake Shoe and Foundry Company, in both cases subject to ratification. Workers of the Consolidated Aircraft Corporation rejected an agreement reached before the Board between representatives of the union and management.

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Auto dealers urged to prevent inflation

Automobile dealers, by self-regulation of their prices for new and used cars, can play an important part in preventing inflation, Cyrus McCormick, price executive of the automobile and truck section, OPA, said September 30 in a speech before the Los Angeles Motor Car Dealers' Association at the Los Angeles Biltmore Hotel, Los Angeles.

"I cannot say this too strongly—if the automobile industry does not develop inflationary tendencies, there will never be any need for any price ceilings as applied to the automobile industry," Mr. McCormick said. "The same is true for all industries. Where inflationary tendencies develop, OPA will be prepared to take action and that quickly."

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Health directors of republics coming to U. S. conference

Public health directors from the American republics have been invited to attend the annual conference of the American Public Health Association at Atlantic City, N. J., October 14 to 17, as guests of the United States Government, it was announced October 3 by Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Heads of the national departments of public health or their representatives from all 20 of the other American Republics have indicated they will attend.

DEFENSE

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SPAB accepts 10,000,000-ton steel increase urged by Hauck; OPM to ask funds

The Office of Production Management took immediate steps October 2 to carry out the previous day's decision by the Supply Priorities and Allocations Board that a further 10,000,000-ton expansion of the Nation's annual steel-making capacity is desirable.

OPM officials began preparing requests to Federal financing agencies for funds to carry out specific projects that will be included in the expansion. Announcements as to individual projects approved will be made as they are submitted to the financing agencies.

SPAB acted after considering a report prepared by W. A. Hauck, OPM steel consultant. The Hauck report recommended that a 10,000,000-ton expansion should be undertaken immediately and that an additional 5,000,000-ton expansion should be undertaken to the extent that may be found practicable. SPAB decided that, at this time, it would only give approval for the 10,000,000-ton goal.

Long-term defense

Details of the Hauck report were made public October 2. It said that an expansion of 10,000,000 tons should be started immediately to meet specific existing needs and that it is reasonable to assume that substantial additional capacity will be required "inasmuch as demands are still constantly increasing."

"Our defense effort should be considered as of long term duration rather than short terms," the report said.

Steel required to build the new capacity must be obtained by a corresponding reduction in steel available for civilian uses while the construction is under way, it was pointed out, but this will be returned many times over during subsequent years. The report said that 1.3 percent of the present capacity of the industry must be set aside during each of the next 2 years to build 10,000,000 tons of additional capacity.

Of the 10,000,000 tons of additional ingot capacity recommended without qualification, almost 3,000,000 tons have been approved previously and specifically by the OPM.

One aim is to make West independent

An additional 5,500,000 of the 10,000,000 tons is needed to meet certain shortages now existing and to make the West Coast largely independent of eastern steel plants, the Hauck report said. The specific shortages mentioned include

alloy steels for aircraft, tanks and tools; ordinary steel plate for ships, freight cars, and boilers; armor plate for tanks, ships, gun mounts, helmets, and planes; and Bessemer steel, which can be made with a minimum of iron and steel scrap, to offset a shortage of scrap.

Further needs are in sight, the report continued, and the remainder of the 10,000,000-ton expansion can be assigned to good advantage.

Steel companies have already submitted definite proposals for expansion of capacity by 13,118,768 tons, most of which would require Government financing. Additional definite proposals running the total to 15,000,000 tons and more will be submitted by the companies shortly.

Some financing already arranged

Financing has already been arranged or recommended for 2,861,200 tons and, from the other proposals pending and to be submitted, the OPM will select additional projects and recommend them to Federal financing agencies as rapidly as possible.

Hauck estimated that it will cost up to \$1,250,000,000 to increase capacity by 10,000,000 tons and at least \$750,000,000 more for a further increase of 5,000,000 tons. In both cases, practically all of the money must be provided by Government financing.

Cost can be reduced and earlier production assured, the report said, by expanding facilities in existing plants wherever feasible. A flexible plan must be found promptly, it continued, to finance such projects in a manner recognizing that the additional facilities are being installed only because of the emergency, that their cost will be in excess of normal cost, and that they will not be self-liquidating.

Part can be ready in 9 months

Some of the 10,000,000 tons of new capacity can be completed within nine months and substantially all of it within two years provided highest priority ratings are assigned to all undertakings. Unless such priorities are assigned, the report said, no further expansion should be started.

The further increase of 5,000,000 tons in capacity would be very difficult to obtain and would take up to three years to complete, the report continued, pointing out that the extra demands on sup-

pliers of steel plant equipment would necessitate expansion of their plants.

For strategic reasons, Hauck said, the West Coast should be made substantially independent of eastern mills for its steel supply. Coupled with this finding was a statement that steel companies have proposed 1,865,000 tons of additional capacity in that area, including a new integrated plant proposed by the Bethlehem Steel Company at Los Angeles and another new integrated plant proposed by the Columbia Steel Co., a subsidiary of the United States Steel Corporation, at Pittsburg, Calif., near San Francisco.

To supply pig iron for the Pittsburg plant and other West Coast facilities, three blast furnaces are contemplated by Columbia Steel at Provo, Utah.

Additional capacity on the West Coast can be obtained, the report said, if the necessary raw materials—such as iron ore and coking coal—can be provided. Possibilities are being investigated.

The capacity proposed on the West Coast is part of the 13,118,768 of definite expansion proposals already submitted to OPM by the steel companies.

Steel ingot capacity as of June 30, 1941, was 86,143,700 tons. It is estimated that upon the completion of 3,028,948 tons now under way and not included in the expansion program under consideration, ingot capacity will be approximately 89,000,000 tons. On top of this capacity the 10,000,000-ton expansion would raise total capacity to 99,000,000 tons per year.

Blast furnaces recommended

Sufficient blast furnaces were recommended by Hauck to produce the additional pig iron that will be needed, in view of the shortage of iron and steel scrap, to operate the expanded ingot capacity. Construction of more lake ore boats, in addition to the 25 already recommended to the Maritime Commission, will also be necessary.

Furthermore, the report said, Lake ore is not economically located for all points of ore consumption and explorations are now being made in all other warranted iron ore areas to determine what new bodies of ore will be opened up.

It was estimated that at least 50,000 men would be employed in building 10,000,000 tons of steel capacity and at least 75,000 men in a 15,000,000-ton expansion.

Operation of 10,000,000 tons of capacity would require at least 75,000 men and to operate 15,000,000 tons 100,000 men would be required.

In urging that highest priority ratings be assigned steel expansion projects, the report said that otherwise the program would be so long delayed that it is doubtful whether it would be of any benefit during the emergency.

PRIORITIES . . .

Mechanical refrigerator production cut 43.2 percent for August through December

A limitation order for the domestic mechanical refrigerator industry reducing production for the 5 months from August 1 through December 31, 1941 by 43.2 percent below average monthly factory sales in the 12 months ended June 30, 1941, was issued September 30 by Donald M. Nelson, Director of Priorities.

The order is based on recommendations by the Division of Civilian Supply looking to an output of 2,007,000 units in the 12 months beginning August 1, 1941, as against 3,670,000 units produced in the 12 months ended June 30, 1941.

This anticipated 12-month program represents a decline of 45.5 percent from output in the 12 months ended June 30, 1941, and 20 percent from output in the 12 months ended June 30, 1940. However, it is higher than output in most other years since 1929. The estimated demand for refrigerators to replace those wearing out during the coming year is 700,000 units. Anticipated production will cover this by a wide margin and still leave a substantial number of refrigerators for new installations.

To save 175,000 tons of steel

The program is designed to reduce consumption of steel in the manufacture of refrigerators by 175,000 tons a year, to effect substantial savings in consumption of other scarce materials, to help relieve the pressure on material supplies from consumers' durable goods industries, and to release facilities for defense work.

The domestic mechanical refrigerator industry consumes a substantial amount of aluminum, brass, chromium, copper, nickel, iron, tin, zinc, mica, neoprene, and rubber, in addition to steel.

The industry is made up of 30 plants located in 19 communities and employing about 45,000 workers. A small amount of defense work is already being done in plants of the industry.

Labor problem tackled

The Labor and Contract Distribution Divisions of the Office of Production Management are now working on plans to relieve labor dislocation which may result from the reduced production. These plans include: (1) Expansion of training programs to fit displaced labor for defense work; (2) shifting of workers already having the necessary skills to de-

fense work; and (3) the securing of additional defense contracts in areas where refrigerator plant operations are cut.

Similar limitation programs relating to other consumers' durable goods industries are being prepared by the Division of Civilian Supply. Extent of the curtailment in each industry will be determined by considerations of possible materials to be saved, burdens on consumers, and extent to which labor and industrial equipment will be made idle.

The refrigerator program has been worked out in detail for only the 5-month

AID FOR LABOR

Surveys have been completed in six cities with a view to alleviating labor dislocation after the cut in refrigerator output. Page 9.

period from August through December 1941, since it is problematical what the conditions will be later.

How the program works

Under the program average monthly quotas for the industry will total 175,519 units for the 5 months August to December 1941, inclusive. This will be a decline of 43.2 percent under average monthly factory sales of 309,234 units in the 12 months ended June 30, 1941. Cuts in the 7 months from January through July 1942 below average factory sales last year, will probably be greater than the 43.2 percent cut for the current 5 months.

The program is designed to level out monthly production to a large extent over the 12 months ending July 31, 1942. Operations of the industry during the 12 months ended June 30, 1941, showed a strong upward trend with monthly output near the end of that period more than double output at the beginning.

Output in the 5 months from August through December 1941, therefore, will be only about 2 percent under average output in like months of 1940. It will, however, be considerably under output in recent months. It is anticipated that output in the 7 months ending July 31, 1942, will be considerably under output in the like months of 1941.

Size of companies in the industry varies widely. It is believed that the larger companies are better able to withstand a reduction in output than are the smaller companies. Therefore, the extent of the reductions in output is graduated as between companies with three different classifications being established according to size. These classifications and the percentage reductions to be applied to each group in the current 5 months are as follows:

Monthly average sales 12 months ended June 30, 1941:		Average reduction in current 5 months below average monthly sales in 12 months ended June 30, 1941 (percent)	
Class A, 16,000 units up-----	45		
Class B, 5,000 to 16,000 units--	37		
Class C, 0 to 5,000 units-----	29		

In order to avoid possible inequities, provision is also made that a class A manufacturer may produce not more than 50,400 units during the 5-month period, or may adopt the 45-percent curtailment, whichever will give him the greater output. Likewise class B manufacturers may choose between the 37-percent reduction or a ceiling of 17,750 units during the period, whichever is greater.

Larger reductions expected

It is expected that beginning in January the cuts under average monthly sales in the 12 months ended June 30, 1941, will be as follows: Class A, 50 percent; class B, 40 percent; and class C, 30 percent.

In preparing the program the Civilian Supply Division first held an industry-wide meeting to provide manufacturers an opportunity to discuss their problems and to indicate to them that material shortages would force a reduction in output. A tentative curtailment program was then drafted and discussed with a panel of representative refrigerator manufacturers. This tentative program was subsequently modified in light of the criticisms received. Thereafter, the program was discussed with representatives of a number of labor unions concerned. Both management and labor representatives were told that the program would merely establish production maximums. Furthermore, they were told there is no guarantee that there will be sufficient materials available to reach these maximums.

11 new field offices opened; 27 now give priorities aid

Eleven new field offices were opened September 30 by the Priorities Division of the OPM, it was announced by Priorities Director Nelson. At the same time, Mr. Nelson announced the appointment of John D. Pollock to head the priorities field service office in New York City. Mr. Pollock replaces Philip M. McCullough, who has been named as priorities coordinator for the eastern area.

Including those opened September 30, Priorities Division field service offices now number 27. They are under the supervision of L. Edward Scriven, director, priorities field service. These offices, headed by district managers who are familiar with local industry, are for the assistance of businessmen and manufacturers in connection with the operation of the priorities system.

Personnel of district offices

The addresses of the new offices, and the names of the district managers who will be in charge of them, follow:

Indianapolis, Ind.—Circle Tower Building, Albert O. Evans, *district manager*; *Minneapolis, Minn.*—Rand Tower Building, Willard F. Klesner, *district manager*; *Portland, Oreg.*—Bedell Building, J. Fred Bergesch, *district manager*; *Salt Lake City, Utah*—Utah Oil Building, Ralph E. Bristol, *district manager*; *Houston, Tex.*—Federal Reserve Bank Building, George L. Noble, Jr., *district manager*; *Buffalo, N. Y.*—M. & T Bank Building, Paul R. Smith, *district manager*; *Jacksonville, Fla.*—Hildebrandt Building, George H. Andrews, *district manager*; *Charlotte, N. C.*—Liberty Life Building, J. E. MacDougall, *district manager*; *Baltimore, Md.*—Baltimore Trust Building, Theodore M. Chandler, *district manager*; *Richmond, Va.*—Federal Reserve Bank Building, Fred P. Wilmer, *district manager*; and *San Antonio, Tex.*—415 W. French Place, Carl L. Pool, *district manager*.

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Priorities form PD-1 may be reproduced by users

Priorities Director Nelson announced October 1 that in order to simplify the filing of applications for preference ratings, form PD-1—the standard form of application for ratings—may be reproduced by those who wish to use it.

Anyone who reproduces form PD-1 must, however, follow exactly the phraseology, the size, the format, and the color of the official blanks furnished by the Division of Priorities.

In general, Priorities Division forms and orders may not be reproduced by persons using them except when reproduction is specifically authorized on the form or order.

New order places copper scrap under full priority control; brass mill type covered

With copper ranking next to aluminum as the most difficult of the critical metals to obtain in sufficient quantities for defense needs and civilian uses, copper scrap was placed under full priority control September 30 in an order signed by Priorities Director Nelson.

One section of the order deals with brass mill scrap, and requires that all such scrap be directed back to brass mills, either directly, or through dealers, who are not permitted to make deliveries to any melter other than a brass mill. The effect of this provision is to channel brass mill scrap back to those melters where it can most efficiently be converted into usable forms of brass.

Copper and copper base alloy scrap (other than brass mill scrap) may be delivered only to dealers, or in cases where a preference rating of A-10 or higher has been assigned to deliveries. An exception to this provision is made for the period from the effective date of the order until November 1, which permits foundries to purchase during that time scrap in an amount not exceeding that

consumed by the foundry during the corresponding period in 1940.

No copper or brass mill scrap may be delivered under existing or future conversion, or toll agreements, unless these agreements have been approved by the Director of Priorities.

Prohibits melting

The order prohibits the melting of any scrap by dealers, including that which they may have on hand, without specific authorization from the Director of Priorities. A dealer is likewise prohibited from accepting scrap, unless he has turned over his inventory within the preceding 60 days, and has filed the required reports with the Office of Production Management. These restrictions are designed to make hoarding by dealers unlawful.

Copper has been under rigid allocation control since the issuance on August 2, 1941, of General Preference Order M-9-a. The new supplementary order completes the control of this basic scarce material.

Extension of rating barred if inventory is sufficient

An interpretation relating to the use of inventory materials to fill purchase orders bearing preference ratings, and limiting the circumstances under which preference ratings may be used by a supplier to obtain needed materials, was issued September 29 by Priorities Director Nelson.

Mr. Nelson made three points:

1. A producer who has received a defense order may not use a preference rating to procure materials with which to manufacture the defense articles ordered if his inventory is already large enough to let him fill the order and still leave him with a practicable working minimum inventory.

2. If a producer's inventory is below a practicable minimum inventory, he may use a preference rating to procure the needed materials if this use of the preference rating is authorized. In such a case, however, he must not delay manufacture of the defense articles until he has received the materials, but must immediately start manufacture, using materials already in his inventory.

3. If a producer fills a defense order out of inventory materials without himself using a preference rating to obtain needed materials, he may not, after completion of the order, obtain materials to replenish inventory by use of a rating.

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Order extends nickel control; U. S. faces rising shortage

The United States faces a nickel shortage for 1941 of something like 40 million pounds. Next year it is expected that the shortage will go higher, perhaps as high as 60 or 70 million pounds. Because of this prospect, the Division of Priorities issued September 30 General Preference Order M-6-a, extending priority control over nickel to March 31, 1942.

In the new order it is provided that the Director of Priorities, as heretofore, will continue to allocate primary nickel among competing consumers. The allocations of nickel are made each month after examination of proposed shipments and apparent requirements.

East's gasoline deliveries for October are cut 10 percent from May-July average

Gasoline deliveries in the Atlantic Coast Area will be cut 10 percent below the May-July 1941 monthly average, under an order signed October 1 by Priorities Director Nelson.

The order, recommended by Petroleum Coordinator Harold L. Ickes, takes the place of the 10-percent reduction provided August 15 by the former Office of Price Administration and Civilian Supply.

So far as the ordinary motorist is concerned, the order means that filling stations, by and large, will have 10 percent less gasoline to fill his wants.

Full deliveries may be made for some important uses, however. These exemptions apply to Federal, State, and local governments, and limited exceptions are provided on deliveries of gasoline for defense projects, for agricultural activities, and for the operation of vehicles, such as interstate trucks, operating under certificates of convenience and necessity.

Cuts apply to delivery trucks, taxis

The cuts will apply, however, to the operations of delivery trucks and taxicabs as well as to passenger cars.

Although the order is complicated in form, its major purposes are simple, to conserve gasoline in the Atlantic Coast Area, and to make certain that sufficient tanker tonnage is available for shipments of fuel oil.

This is accomplished by setting up a percentage formula which states the total quantities of gasoline which may be delivered in the Atlantic Coast States and the amount of gasoline which may be delivered to consumers within those States.

The percentages vary by States, but the over-all cut for the area approximates 10 percent. These percentages have been fixed for October but they may be changed in later months.

One important provision of the order prohibits the shipment of motor fuel from the Atlantic Coast Area to any point outside the area.

Details of the order follow:

Under the revised program, issued in the form of a limitation order, total deliveries of gasoline by all primary suppliers importing to or producing motor fuel in the Atlantic Coast Area shall be 10 percent less than average monthly deliveries for the months of May through July 1941.

The original program required a 10-percent reduction below July 1941 deliveries. The base period was extended to 3 months upon Mr. Ickes' recommendation. In a letter to

Mr. Nelson, he said that the longer period will "reflect more exactly the relative sales positions of the various primary suppliers."

Percentages vary by States

The revised program sets up the percentage system by which primary suppliers can determine the amount of motor fuel they shall deliver to each State in the coast area. These percentages are based on average deliveries made during May, June, and July. The proportions received by the various States in

GASOLINE QUOTAS

(The first column shows the percentage of average May, June, and July deliveries (1941) which a primary supplier may deliver to each State in October. The second column shows the percentage of the amount delivered in October 1940 which may be delivered this October to individual accounts in the States.)

States	Supplement A percentage for October 1941	Supplement B percentage for October 1941
Maine.....	84.06	93.00
New Hampshire.....	88.70	93.50
Vermont.....	93.03	96.00
Massachusetts.....	90.37	95.00
Rhode Island.....	90.27	100.50
Connecticut.....	88.08	94.50
New York.....	91.42	95.00
New Jersey.....	86.37	95.50
Pennsylvania.....	91.19	95.00
Delaware.....	84.48	93.50
Maryland.....	85.59	95.00
District of Columbia.....	88.64	95.00
Virginia.....	84.42	93.50
West Virginia.....	91.50	93.00
North Carolina.....	91.46	92.00
South Carolina.....	88.44	95.50
Georgia.....	90.60	93.50
Florida, east of the Apalachicola River.....	86.12	97.50

any month will differ to allow for varying seasonal requirements.

Another percentage scale is established to enable primary and secondary suppliers to determine the amount of motor fuel they shall deliver to service stations or individual accounts within each State. The amounts delivered under this system will represent a percentage of the amount received by service stations or individual accounts in the corresponding month of the preceding year.

These percentages vary slightly from State to State. The term "individual account" means a single service station, a single secondary supplier or a bulk customer. It does not refer to the average motorist.

Before the end of October Mr. Ickes will recommend to the Director of Priorities, on the basis of studies conducted by the Petroleum Coordinator's office, any further revisions or continuance of the curtailment as he may deem necessary.

May relax restrictions in fringe States

"Meanwhile," Mr. Ickes said, "my office is surveying the supply situation in several of the Southeastern States and in some regions contiguous to the western borders of the whole Atlantic Coast Area where it seems likely that other modes of shipment may shortly wholly supplant movements heretofore made by deep water tankers. In such

instances, and in the absence of intervening factors, it is my present view that whenever the facts disclose that any such States or regions are no longer dependent on tanker transportation and are securing sufficient supplies by alternative methods of transportation, I shall desire to recommend either a contraction of the boundaries of the area of restriction or a relaxation of these restrictions in such States or regions."

General provisions of the order, in addition to the over-all 10-percent reduction requirement, include:

1. The percentage of average deliveries of motor fuel made during the months of May, June, and July, 1941, which may be delivered by each primary supplier in each State is set forth in a table attached to the order, called Supplement A percentage. In the long run, assuming the restriction continues, the relative amounts delivered in each State, based upon past normal consumption, will be equalized. The percentages may change each month as long as the order continues in effect.

Deliveries to customers

2. Within each State, deliveries by primary suppliers and secondary suppliers to all individual accounts, regardless of whether they be secondary suppliers, service stations, or consumers, shall be allocated on the basis of a uniform percentage (called the Supplement B percentage) of the quantity received in the corresponding month of last year in order to allow for seasonal fluctuations between areas and accounts within each State. These percentages vary slightly from State to State to recognize different rates of expansion among the States since the same month of the preceding year.

3. Adjustments shall be made in the amount of deliveries to individual accounts to allow for exceptional circumstances, such as abnormal or subnormal deliveries during the corresponding month of the previous year or unusual expansion or contraction of business since that time.

4. Exceptions are permitted for minimum bulk deliveries, necessary for essential transportation media, defense projects, and agricultural activities by primary and secondary suppliers, and preferences shall be allowed at service stations for the operation of vehicles necessary to safeguard the public health and safety.

5. Individual resellers, service stations, and consumers are protected with respect to their sources of supply, as are independent spot buyers whose receipts are not regularly received from any particular supplier or according to any regular delivery schedule. They can demand continued delivery from present suppliers of quantities stated in the order, if so desired.

Loans and exchanges permitted

6. Sales, purchases, loans, or exchanges shall be made between primary suppliers so as to balance out the deliveries of those primary suppliers who exceed their quotas and those who fail to deliver their full quotas, after allowance has been made for all types of business, preferred or otherwise.

7. All suppliers shall be allowed to deliver motor fuel to Federal, State, and local governments without having to deduct such deliveries from the total allowed their regular accounts. This will facilitate bidding on supplies for Army, Navy, and essential governmental functions.

8. The movement of motor fuel from within the area of shortage to any point in the United States outside such area shall be prohibited in order to avoid the loss of supplies needed in the Atlantic Coast Area.

9. All primary or secondary suppliers shall, to the extent practicable, make deliveries in such manner as to distribute such deliv-

eries evenly throughout each month; and all persons maintaining or operating service stations shall, to the extent practicable, make deliveries in such manner as to distribute such deliveries evenly throughout each day.

The Atlantic Coast Area is defined in the limitation order as meaning Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida (east of the Apalachicola River), and the District of Columbia. The order also defines a primary supplier, a secondary supplier and a service station.

Ickes urges preparation for peak

Regarding the necessity for present continuance of the program, Mr. Ickes wrote to Mr. Nelson as follows:

"In my opinion, such a preventive program for conserving gasoline in the area of threatened shortage of vitally necessary products should be continued until that threat has been positively eliminated. Now is the time when storage must be filled to meet the peak demand for total petroleum products which occurs not in the summer but in the winter.

"Because there exists a greater margin of profit in gasoline as compared with fuel oils, unless gasoline consumption be curtailed refiners are likely to continue to utilize too large a proportion of our limited tanker tonnage to ship gasoline to the Atlantic Coast and thereby leave insufficient tonnage to move the necessary amount of fuel oils. Fuel oil consumption can hardly be curtailed at all without risking the disruption of both defense industries and essential civilian activity.

"Gasoline consumption, however, can be curtailed without undue hardship if such curtailment is commenced soon enough and spread gradually over a sufficiently long period of time to avoid the imposition of a drastic cut. That is why I so strongly recommend the continuation of the very moderate curtailment in the deliveries of this product already instituted as a hedge against an uncertain future."

The Petroleum Coordinator informed Mr. Nelson that the limitation order should be continued "only so long as and only in such States as there exists either a deficiency of petroleum stocks on hand or a lack of positive evidence of a continued and consistent movement of sufficient products to meet any eventuality."

Shortage cut by 105,000 barrels a day

"Already much has been accomplished by my office in its work with the petroleum industry to provide relief on the East Coast," Mr. Ickes wrote.

"Increased efficiencies in the use of tankers and a modification of the statutes and international conventions governing the depth to which tankers may be loaded have reduced an indicated transportation deficit by 60,000 barrels per day. This deficit has been further reduced by 20,000 barrels per day through adjustments in the use of existing pipelines, by another 10,000 barrels per day through the increased use of barges, and by still another 15,000 barrels per day through the increased use of trucks.

"Finally, the oil companies have committed themselves to us to move additional supplies to the East Coast by tank car, and we have assumed that between now and the end of the year railroad tank cars should be able to contribute an average of 73,700 barrels per day of transportation from the equivalent of some 10,000 cars which we hope can be gained by speeding up the time of loading, unloading, repair, and movement of tank cars already largely in use. Yet even with all of the foregoing adjustments, the total amount

A-9 rating given merchant steel products for certain jobbers and hardware stores

A plan which will help small distributors of certain merchant steel products, including those jobbers and hardware dealers who are warehousemen within the terms of Supplementary Order M-21-b, was announced September 30 by the Iron and steel section of the Priorities Division.

The plan is based on a formula which will govern shipments of the merchant products listed to steel warehouses during October, November, and December. It is set forth in a directive which lists certain steel products widely sold by warehouses and stipulates the quantities of those products which may be delivered to them during the coming calendar quarter.

"Warehouse" includes certain stores

The order governing steel warehouses defines a warehouse as "any person who receives physical delivery of steel from a producer for sale or resale in the form received." This definition includes certain hardware stores, dealers, and jobbers who buy from producers. These small business firms, therefore, will be able to get the merchant products listed—such as wire and nails—with the assistance of the plan.

In all cases covered, the rated shipments to be made in the October-December period are lower than the quantities

shipped by the same producers to the same warehouses for the similar period of 1940, although total shipments to the warehouses may be as high as 110 percent of 1940 shipments if these higher deliveries do not conflict with the fulfillment of defense orders by producers. In other words, the shipments facilitated by a preference rating are lower than those received by the warehouses in 1940 but higher shipments can be made if the material is available.

Other quotas being prepared

The rated shipments permitted under the directive will carry ratings of A-9.

The formula announced in the directive applies only to shipments of the so-called merchant products listed. Quotas for the delivery of other steel warehouse products are now being prepared and will be distributed to the industry within a short time.

Major purpose of the steel warehouse plan is to provide assistance to the thousands of warehouses which perform an important service in the distribution of small quantities of steel to all kinds of customers, many of them engaged in defense work. These warehouses had been experiencing some difficulty in obtaining adequate supplies, but the new plan grants definite quotas so that these distributors may receive the products they need.

of anticipated transportation available for East Coast movement is still approximately 174,000 barrels per day less than that required to replenish and maintain inventories at safe levels."

The usual provisions regarding appeal, filing of reports, keeping of records, etc., are included in the order. All inquiries concerning the order should be directed to the office of the Petroleum Coordinator for National Defense.

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Repair ratings cover natural gas supply, not discovery

Priorities Director Nelson announced September 30, Interpretation No. 4 of Preference Rating Order P-46. This is the order which extends the A-10 rating to purchases of essential repair parts by public utilities.

The interpretation points out that while priority assistance is extended to companies supplying natural gas to the public, the order does not include those firms or individuals engaged in the discovery or development of new pools.

Cooperative utilities may use repair rating order

Cooperative utility companies may use the priority assistance provided in Preference Rating Order P-46 (the maintenance, repair and supplies plan for utilities), it was said in an interpretation issued October 3 by the Division of Priorities.

Since the original plan was issued for certain utilities, a number of questions have been received as to whether or not the assistance can be used by cooperative or "membership" companies supplying services to their stockholders or members only.

The interpretation states that such companies are included in the order, provided that the company offers service within its service area to any person applying for it in accordance with the producer's rules and regulations.

\$154,214,423 War Department contracts cleared September 25 through October 1

Defense contracts totaling \$154,214,423 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period September 25 through October 1. This compares with a total of \$92,008,762 for the previous week.

CONSTRUCTION

Two contractors: Walters & Prater, Morristown, Tenn., and Mark K. Wilson, Chattanooga, Tenn.; change order to original contract covering construction of five additional warehouses at QM Depot, Memphis, Tenn.; \$1,198,000. (Total estimated cost of project now \$6,660,085)

Two contractors: Doyle & Russell and the Wise Contracting Co., Inc., Richmond, Va.; change order to original contract covering construction of two additional warehouses at QM Depot, Richmond, Va.; \$1,250,000. (Total estimated cost of project now \$7,044,690)

O'Driscoll & Grove, Inc., New York City; construction of motor repair shops at Fort Dix, N. J.; \$594,000.

General Motors Corporation, Chevrolet Division, Buffalo and Tonawanda N. Y.; acquisition and establishment of two plants, together with machinery and equipment for manufacture of aeronautical engines and spare parts; \$37,161,530. (Defense Plant Corporation agreement of lease)

Curtiss-Wright Corporation, Buffalo, N. Y.; enlarging facilities at existing plant at Buffalo for manufacture of airplanes; \$978,233. (Defense Plant Corporation agreement of lease)

The Fafnir Bearing Co., New Britain, Conn.; additional machinery and equipment at existing plant for production of bearings; \$746,062. (Defense Plant Corporation agreement of lease)

The Bullard Co., Bridgeport, Conn.; additional machinery and equipment to be used in manufacture of machine tools; \$1,900,000. (Defense Plant Corporation agreement of lease)

The Parker Appliance Co., Cleveland, Ohio; additional machinery and equipment to be used for aircraft equipment production; \$432,230. (Defense Plant Corporation agreement of lease)

The Watson-Stillman Co., Roselle, N. J.; addition to previous lease agreement for production of hydraulic equipment; \$214,451. (Defense Plant Corporation agreement of lease)

The Warner & Swasey Co., Cleveland, Ohio; machinery and equipment to be used in manufacture of machine tools; \$550,000. (Defense Plant Corporation agreement of lease)

Bell Aircraft Corporation, Buffalo, N. Y.; establishment of new plant at or near Wheatfield, N. Y., and purchase of machinery and equipment to be used for production of aircraft and aircraft parts; \$8,456,175. (Defense Plant Corporation agreement of lease)

General Motors Corporation, Aeroproducts Division, Detroit, Mich.; additional machinery and equipment to be used in plants in Vandalia, Ohio and Moraine, Ohio to be used in production of aircraft propellers and propeller parts; \$11,453,128. (Defense Plant Corporation agreement of lease)

General Motors Corporation, New Department Division, Detroit, Mich.; machinery and equipment in new plant to be erected at Bristol, Conn., for manufacture of aircraft bearings; \$2,442,355. (Defense Plant Corporation agreement of lease)

Isolantite, Inc., Belleville, N. J., construction and equipping of a new plant at or near

Belleville, N. J., to be used for production of ceramic products for Signal Corps; \$972,774. (Defense Plant Corporation agreement of lease.)

EQUIPMENT AND SUPPLIES

Wm. E. Hooper and Sons Co., Baltimore, Md.; dyeing and finishing 8,051,000 yds. grey duck to olive drab; \$954,285.

The Springdale Finishing Co., Inc., Canton, Mass.; dyeing and finishing 5,500,000 yds. grey duck to olive drab; \$651,915.

The American Waterproofing Co., Cincinnati, Ohio; dyeing and finishing 7,000,000 yds. grey duck to olive drab; \$803,950.

Chatham Mfg. Co., Elkin, N. C.; 375,000 wool O. D. blankets; \$2,467,500.

The Leaksville Woolen Mills, Inc., Charlotte, N. C. (Mill: Homestead, N. C.); 150,000 wool O. D. blankets; \$992,250.

Wyandotte Worsted Co., Waterville, Maine (Mill: Rochester, N. H.); 150,000 wool O. D. blankets; \$993,750.

Sturgeon Bay Shipbuilding and Dry Dock Co., Sturgeon Bay, Wisc.; retrieving vessels; \$1,215,000.

Yellow Truck & Coach Mfg. Co., Pontiac, Mich.; 2½-ton 6 x 8 cargo and tank trucks; \$36,936,055.

Pittsburgh Coke & Iron Co., Pittsburgh, Pa. (for mfr. at Neville Island, Allegheny County, Pa.); activated charcoal; \$575,000.

AIRCRAFT

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and spare parts; \$6,061,385.

Irving Air Chute Co., Inc., Buffalo, N. Y.; parachutes and assemblies; \$1,373,250.

General Motors Corporation, Delco Remy Division, Anderson, Ind.; generator assemblies; \$627,248.

Folmer-Graflex Corporation, Rochester, N. Y.; aircraft cameras; \$429,752.

Bell Aircraft Corporation, Buffalo, N. Y.; gun mount adapters; \$522,632.

The Leece-Neville Co., Cleveland, Ohio; generator and panel assemblies; \$1,704,250.

General Motors Corporation, Allison Division, Indianapolis Ind.; engine parts; \$8,197,052.

Consolidated Aircraft Corporation, San Diego, Calif.; engine parts; \$4,003,941.

General Motors Corporation, Delco-Remy Division, Anderson, Ind.; generator assemblies; \$868,825.

Westinghouse Electric & Mfg. Co., Dayton, Ohio; generator assemblies; \$685,000.

Vultee Aircraft, Inc., Vultee Field Division, Downey, Calif.; airframe spares; \$1,044,400.

ORDNANCE

Hercules Powder Co., Wilmington, Del. (for mfr. at Union Plant, Parlin, N. J.); nitrocellulose; \$543,750.

Parsons Co., Detroit, Mich.; land mines; \$606,040.

Tube-Turns, Inc., Louisville, Ky.; shells; \$1,970,000.

American Thermometer Co., St. Louis, Mo.; boosters; \$980,000.

E. G. Budd Mfg. Co., Philadelphia, Pa.; bombs; \$765,860.

Dictaphone Corporation, Boston, Mass.; remote control systems; \$521,995.

Waterbury Clock Co., Waterbury, Conn.; fuzes; \$2,557,500.

Scovill Mfg. Co., Waterbury, Conn.; fuzes; \$825,000.

Taylor-Wharton Iron & Steel Co., Easton, Pa.; shells; \$826,000.

General Motors Corporation, Delco Appliance Division, Rochester, N. Y.; spare parts for directors; \$605,000.

Niles-Bement-Pond Co., Pratt & Whitney Division, West Hartford, Conn.; drilling, reaming and rifling machines; \$688,900.

All lead put under full priority control

All supplies of lead, including domestic lead and imported metal, were placed under full priority control by the Division of Priorities, October 4.

The new control over this metal is provided in General Preference Order M-38, which sets up an allocation system.

Lead is an important defense metal and also is widely used in civilian channels. In 1939—the last pre-war year—consumption of lead was divided as follows:

Storage batteries, 30 percent; white lead, 11; cable covering, 11; red lead, 9; building, 8; ammunition, 6; foil, 3; solder, 3; miscellaneous uses, 19.

In military operations, lead is required for the production of bullets, shot, shrapnel, and shells, for batteries, for insulating purposes and for airplanes.

Scrap and imports make up difference

Total requirements, defense and civilian, have created a shortage of lead domestically produced. Current consumption is at the rate of approximately 960,000 tons a year with an appreciable increase anticipated. Current production, including that from foreign ores, is not over 600,000 tons. The difference is made up from scrap returned to the industry and from foreign imports.

Foreign lead already controlled

All foreign pig lead now is being purchased by the Metals Reserve Co. and allocated by the lead branch of the Office of Production Management. Purpose of this order is to extend that control to domestic lead and to formalize the action through the customary channel of the Director of Priorities.

Main points in the order are:

1. Refiners and dealers in lead must file with the Director of Priorities not later than the 20th day of each month a schedule of proposed shipments for the following months.

2. After October 1, when specified, each refiner must set aside from his production in a special pool a quantity of lead to be fixed from time to time; the lead in this special pool will be allocated directly by the Director of Priorities to meet emergency situations.

3. In shipping the balance of his production not covered by the pool, each refiner must give preference to defense orders as required by Priorities Regulation No. 1.

4. All lead released by the Metals Reserve Co. will be allocated by the Director of Priorities.

LABOR . . .

1,800 defense contractors aided in year by Training-within-Industry Branch

The Training-within-Industry Branch of OPM's Labor Division has rendered assistance to nearly 1,800 defense contractors employing over 2½ million workers during its first year of operation, Channing R. Dooley, chief of the branch, reported October 3 to Associate Director General Sidney Hillman.

In a progress report, Dooley said that the efforts of his branch have met with appreciative response from defense employers who are cooperating to expand production of goods and weapons.

Many services

Since September 1940 the TWI Branch has organized and manned a field service, assisted defense contractors with specific training problems, and cooperated with other training agencies, such as the vocational and defense training courses, the Labor Department's apprenticeship committee, NYA and WPA, in programs to increase the skills available for defense production.

The assistance rendered to defense employers includes accepted recommenda-

tions, surveys of various types and advice on personnel training activities.

22 district offices serve industry

Dooley reported that his branch has established 22 district offices covering all principal industrial centers of the country. Each district is headed by a TWI representative, who is aided by advisers from labor and industry, and by panel consultants, borrowed from industry and education. All of these men are serving without compensation. There are 487 such consultants, located in 183 cities.

The report emphasized the need of developing an ever increasing number of foremen and supervisors in the coming months to keep pace with the expansion of production needed by the armed forces. The report said:

"Training for production and many human relations problems incidental thereto have a large share in getting out a maximum of production of articles of great precision. An intensive drive and checkup during the fall months is planned on these problems.

"Responsibilities of both management and labor concerning instruction and coaching of new workers on the job will receive even

greater attention, since new and increased production calls for the preparation of individuals and organizations to take up new duties.

"New knowledge must be sought and applied regarding the transferability of skill from one occupation to another—from one plant to another—from one industry to another. TWI is sharing in the attack on this problem through its correlated work with the labor supply branch. The techniques of training are of great help in this field, and a better knowledge is growing out of analysis of industrial jobs as to how the competency on the part of individual workers can be improved through intensive, systematic training. This training is rooted in guided experience on the job, and promotion to jobs of higher skills, but is greatly aided by supplementary training given by vocational schools."

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Taub to help Hillman in spreading defense work

OPM Associate Director General Hillman, September 29, designated Alex Taub, Pontiac, Mich., engineer, as special consultant to assist him on technical problems involved in the program to spread defense work, and alleviate unemployment caused by priorities.

Taub started as a machinist in an automobile plant in 1908. He was in charge of development and research of production designs for engines, for Chevrolet, from 1926 to 1936.

From 1936 to 1941 he was director of power plant engineering for Vauxhall Motors in England and in 1939 and 1940 he served on the British Mechanization Board for trucks, tanks, and engines. He was consulting engineer to the British Air Commission in Washington for several months this year and served as a technical consultant to the automotive section of OPM.

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New field men to investigate complaints of discrimination

Mark F. Ethridge, chairman of the President's Committee on Fair Employment Practice, announced September 26 the appointment of two field representatives who will investigate complaints of discriminatory employment practices in defense industries.

The appointments are: Eugene Davidson, business agent of the CIO Building Service and Maintenance Workers of Washington, D. C., and administrator of the New Negro Alliance, and G. James Fleming, managing editor of the Philadelphia Tribune.

Refrigerator plants in six cities already surveyed to meet labor displacement

Surveys of expected priority unemployment, and of defense job and retraining possibilities, have been completed for six cities in which the refrigerator production cut announced September 30 will reduce the number of nondefense jobs, Associate Director General Hillman, OPM, said October 1.

Surveys have been made of Muskegon, Grand Rapids, and Greenville, Mich., Dayton and Mansfield, Ohio, and Evansville, Ind. Federal-State employment service officials are making similar surveys in other cities which have sizeable refrigerator factories.

10,000 of 45,000 workers surveyed

Refrigerator factories in these six cities, according to recent statistics, employ more than 10,000 of the 45,000 workers in the industry.

Information obtained in these surveys will be analyzed as quickly as possible.

In communities where the surveys show a threat of serious priority unemployment, the new OPM Division of Contract Distribution will seek to develop a remedial program to place defense contracts and subcontracts so as to absorb the displaced workers. OPM will recommend such programs to the War and Navy Departments for execution.

Other cities to be covered as necessary

Other cities will be surveyed as needs develop, as rapidly as possible, Hillman said.

OPM regional labor supply committees, coordinating registration, reemployment and retraining activities of Federal and State agencies, will supervise and direct the problems of dealing with displaced workers, while plant conversion will be handled between plant managements and the Government agencies involved, Mr. Hillman pointed out.

PRICE ADMINISTRATION . . .

Maximum prices for aluminum scrap to be cut November 1 in line with virgin metal

Present maximum prices of aluminum scrap and secondary aluminum ingot will be reduced as of November 1 to reflect the reduction from 17 cents to 15 cents a pound in the price of primary aluminum on October 1, OPA Administrator Henderson announced last week.

This decision was reached after careful examination of the supply situation by OPA and consultation with trade members and the Office of Production Management. By bringing secondary metal prices into line with that of primary aluminum, it is believed that use of the former by defense industries, as desired by defense authorities, will be facilitated. Thus, the pressure on primary supplies will be reduced.

The price reductions in scrap and secondary aluminum, Mr. Henderson stated, will approximate 2 cents a pound on the several grades covered by the schedule, but to effect appropriate readjustments, the cuts in some cases will slightly exceed 2 cents and in other instances will be somewhat less than 2 cents.

Reflect changes in situation

These readjustments will reflect experience accumulated by OPA in actual operation of the schedule, as well as changes in the scrap situation since the ceiling was originally announced on March 24, 1941. Quantity differentials on scrap will also be introduced into the schedule, according to present plans.

The amendment setting forth the readjusted prices will be issued before November 1, but will not become effective until that date.

Mr. Henderson pointed out that by allowing a month between the effective date of the reduction in the price of primary aluminum and readjustment of the scrap and secondary schedule, dealers and smelters will be free to adjust their inventories in order to avoid such cash losses as might be forced upon them were ceiling prices lowered immediately. Special consideration will be given to proven cases of hardship involving prior commitments extending beyond November 1.

The administrator said he expected that aluminum scrap and secondary metal would sell below present ceiling prices even in advance of November 1.

This may well be brought about through competitive market conditions, he added.

Activity increases

Statistics on the flow of scrap and the production of secondary ingot made from scrap indicate a constantly increasing level of activity since spring. August operations were well above the average monthly rate for 1940.

The present schedule contains a formula based on a 17-cent price for virgin aluminum, which fixes the maximum "conversion factor," or toll charge, which may be made for rerolling or otherwise refabricating wrought aluminum plant scrap, excepting forgings. The cost of doing this work is not related to the price of virgin aluminum.

Therefore, it is planned to eliminate this formula and to establish instead a table of specific maximum charges covering toll fabrication of wrought aluminum plant scrap. Toll fabricators will be invited to a meeting with OPA in the near future to work out these charges. It is hoped to make them effective November 1. In the meantime, maximum toll charges may continue to be computed on the present formula, based on 17-cent virgin aluminum.

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Wells leaves Clearance Bureau, 3 appointed to staff

Sidney J. Weinberg, chief of the Bureau of Clearance of Defense Industry Advisory Committees, OPM, announced October 3 that Richard C. Wells has left the Bureau to return to the Freeport Sulphur Company due to expiration of his 3 months' leave of absence from that company.

Mr. Weinberg further announced that he has appointed the following men to his staff in the Bureau of Clearance:

J. B. Walker, formerly associated with Stone, Webster and Blodget, New York City, as special assistant; and as administrative assistants, George Muth, who is on temporary leave from the Continental Can Company, Inc., New York City, and G. Keith Funston, who is on temporary leave from Hygrade Sylvania Corporation, Salem, Mass.

Ceilings on low-alloy and carbon steel castings to be at or below current levels

Maximum prices for carbon and low-alloy steel castings, including railway specialties, will be established at or below current levels, it was announced September 30 by OPA Administrator Henderson.

Plans for the schedule have been discussed with representatives of 60 large and small producers. A separate session was held with the makers of railway specialties.

Further discussions will take place with a representative committee which OPA is selecting in order that the schedule of maximum prices may conform as closely as possible to present trade practices and methods. Consultation also will be had with buyers of castings before the ceiling is formulated.

General price level rose 15 percent

The general level of carbon and low-alloy steel casting prices has risen about 15 percent thus far in 1941. Because of their importance to industry, and particularly to the defense program, the Office of Price Administration feels that a price ceiling should be established at or below the levels now prevailing.

Used by almost every industry

Carbon and low-alloy steel castings, which are formed by pouring molten steel into molds, are used by virtually every industry in the United States. Roughly, these castings fall into two groups: railway specialties and miscellaneous. The first group includes side-frames, bolsters, yokes, and couplers, used in the running gear of railroad freight and passenger cars. The "miscellaneous" castings field takes in all manner of products. Some of these are mass production items, while others are highly specialized. Steel scrap is the principal raw material in the production of carbon and low-alloy castings.

Most of the foundries producing castings have defense contracts and some of the larger corporations are using most of their plant capacity on orders connected directly or indirectly with the defense effort.

Brass mill scrap schedule amended

Several minor changes in Price Schedule No. 12 covering brass mill scrap were issued October 2 by OPA Administrator Henderson.

Brass mill scrap includes scrap which is a byproduct of the fabrication of materials produced by brass mills.

Amendments to the schedule, which was originally issued on July 21, 1941, include:

(1) Addition of a new category designated as "Copper" with the following maximum prices for less than 15,000 pound lots; heavy scrap, 10¼ cents per pound; rod ends, 10¼ cents per pound; and rod turnings, 9½ cents per pound. Premiums of ½ cent per pound may be paid on shipments of 15,000 pounds or more at one time and of 1 cent on shipments of 40,000 pounds or more. This type of material is currently covered in price schedule No. 20 on "Copper Scrap" but is to be removed from that schedule shortly.

(2) Addition of a new category designated as "Nickel Silver" with the following maximum prices for less than 15,000 pound lots:

Nickel silver	Heavy scrap	Rod ends	Turnings
	Cents	Cents	Cents
8 percent nickel.....	9¼	9	4½
10 percent nickel.....	10½	9½	5¼
15 percent nickel.....	10½	10½	5½

Nickel silver scrap was formerly covered by price schedule No. 8 on "Nickel Scrap." The change was made because most nickel silver is produced by brass mills. Cupro-nickel, which is produced in large quantities by other than brass mills, remains in the nickel scrap schedule.

(3) The definition of "brass mill scrap" has been changed so as to conform substantially with the OPM priority order covering copper and copper alloy scrap.

(4) The enforcement section has been modified so as to take account of possible cooperation by State, county, and local governments in seeking enforcement through revocation of licenses and permits. This section also states "that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with the schedule."

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ORE MOVEMENTS

Reports from the four principal ore-handling railroads for the week ended September 27 showed they loaded into boats at upper lake ports 2,180,564 tons of ore as compared to 2,103,040 tons loaded during the corresponding week in 1940.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 58,524,106 tons as compared to 45,277,942 during the corresponding period of 1940.

Ceiling to cover iron, steel products sold through jobbers, dealers, distributors

All iron and steel products sold through jobbers, dealers, and distributors will be brought under a price ceiling in the near future to halt profiteering by certain members of the trade, OPA Administrator Henderson announced October 4.

The new schedule will cover sales of "seconds" and "rejects" as well as "prime" products. With its issuance OPA will have established maximum prices for iron and steel products sold in any quantity by mills, warehouses, jobbers, distributors, dealers, agents, or brokers. Products to be included under the new ceiling will be those covered by Price Schedule No. 6, which set maximums for iron and steel sold by primary producers.

An essential part

"Jobbers, dealers, and distributors of iron and steel are an essential part of the American industrial picture," Mr. Henderson stated. "Their function is to supply a great variety of products in comparatively small quantities to manufacturers and other users of steel. Many small businesses working on direct or indirect defense orders are entirely dependent on the distributing industry for their steel supplies.

"The nature of their business requires distributors to carry extensive stocks in their warehouses and to be prepared to make quick deliveries. Their prices always have reflected the special character of their services.

"Since the issuance of Price Schedule No. 6, which froze producers' prices at first-quarter levels, the leading steel jobbers have cooperated admirably with the Office of Price Administration to keep their prices in proper relation to the mill prices set by the schedule. In recent months, however, largely because of the great demand for steel generated by the defense program, certain members of the trade have demanded exorbitant prices from manufacturers in urgent need. Numerous complaints have reached my office, citing cases where consumers in need of steel have been compelled to pay prices ranging from 50 percent to 200 percent above those generally quoted. In many instances, 'seconds' and 'rejects'—steel containing imperfections—have been sold at prices considerably higher than those charged for steel of first grade.

"This is profiteering"

"This is profiteering, pure and simple, and must be stopped."

About 85 percent of all iron and steel

is sold by steel mills directly to consuming industries. The remaining 15 percent is bought by jobbers, distributors, and dealers for resale. It is estimated that about 11,800,000 net tons of iron and steel will be thus distributed in 1941, against 6,686,000 net tons in 1940.

While the total percentage of all iron and steel distributed by reselling is comparatively small, in certain items a substantial amount of the total production is handled in this manner. For example, in 1940 jobbers, dealers, and distributors resold 54 percent of the entire production of iron and steel pipe and tubes, 40½ percent of all wire and wire products and slightly over 46 percent of all galvanized sheets, as well as important quantities of tool and alloy steels.

Over 5,000 distributors

The steel distribution trade buys in carload lots of 40,000 pounds direct from the mill at the base prices. Resales are made in any quantity with price differentials based on the poundage involved.

It is estimated that there are over 5,000 companies, partnerships, and individuals engaged in iron and steel distribution in the United States. They range in size from large independent corporations, maintaining warehouses and distributing depots in numerous cities and towns, to small neighborhood dealers. Some jobbers specialize in pipes and tubes, others in wire and wire products and others in sheets. Some handle heavy steels exclusively, while still others have extensive inventories containing tens of thousands of items. Several of the large steel producers have subsidiaries engaged in the jobbing business.

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INFORMATION SPECIALISTS NEEDED FOR DEFENSE

Information specialists are needed by the Government in connection with every phase of national defense activity, the Civil Service Commission has announced.

To fill these positions, the Commission has announced an examination for information specialists in press and publications, and in radio. There are over 100 jobs to be filled in the various Government agencies. Salaries range from \$2,600 to \$4,600 a year.

Applications must be on file with the Commission's Washington office not later than October 23, 1941.

Ceilings announced for paperboard, all grades, sold east of Rockies

Ceiling prices for all grades of paperboard sold east of the Rocky Mountains, corresponding to those that have prevailed for several months under voluntary agreements with leading producers, are established in Price Schedule No. 32 announced October 1 by OPA Administrator Henderson.

The new schedule went into effect on October 1, expiration date of the voluntary agreements and effective date of OPA's recent schedule of ceiling prices on wastepaper, principal raw material for the manufacture of paperboard.

As stated in a preliminary announcement, maximum delivered prices for the three base grades are the same as those specified in the voluntary agreements; that is, \$45 a ton for chipboard, \$60 a ton for single manila lined board, and \$75 a ton for white patent coated newsboard. Differentials, up and down, in line with the expiring agreements, are established for the other types, depending upon weight, grade and quality.

Used in boxes

All types of paperboard used in the manufacture of set-up paper boxes, folding cartons, and shipping containers are covered. Top prices for the shipping container grades are stated in dollars per 1,000 square feet, rather than in dollars per ton as are the grades used in set-up paper boxes and folding cartons.

Paperboard is in great demand for cartons and boxes to package defense materials, food products, and innumerable articles of consumer goods.

Issuance of the present schedule climaxes a series of attempts by OPA to avert inflationary price trends in this basic commodity by voluntary agreements with paperboard manufacturers and the wastepaper trade.

On June 12, 1941, leading producers of paperboard agreed individually with OPA (then OPACS) to maximum prices of \$42.50 for chip board, \$57.50 per ton for single manila lined board, and \$72.50 a ton for white patent coated newsboard, with appropriate differentials for other grades. This agreement took into account wastepaper prices as of May 29, 1941.

Waste paper prices rose

Prices of wastepaper rose rapidly thereafter and had increased from \$3 to \$4 a ton on June 18, 1941, when they were

stabilized by individual agreements between OPA and members of the trade.

Because of these higher prices for wastepaper, the voluntary agreements with the paperboard manufacturers were revised upward by \$2.50 per ton on August 4 and at the same time were extended to October 1, 1941, to correspond with a similar extension of the agreements on wastepaper prices.

Despite these attempts to stabilize both paperboard and wastepaper prices through voluntary action, the situation continued unsettled. There developed in certain quarters of the wastepaper trade methods designed to circumvent the maximum prices and in some instances, supplies were diverted or withheld from consuming mills that refused to violate their agreements with OPA. As a result, the distribution of wastepaper stocks became unbalanced and some paperboard plants were forced to shut down.

Familiar differentials established

The differentials established in the schedule are those which are familiar to the trade. A maximum base price is set for a given classification and to that base are added or subtracted amounts consistent with the quantity of all types included in the classification. For example, to the maximum base price of \$45 per ton for plain chip board may be added not more than \$5 per ton for sales of from 1 to 3 tons; \$2.50 for more than 3 tons, but less than 10 tons; with the base price of \$45 applying to sales of 10 tons or over.

In the case of white vat lined board, which is included with chip board in the "set-up boxboard" classification, the maximum base price is \$45 a ton, plus \$20 for orders of 3 tons or less; or plus \$17.50 for orders of over 3, but less than 10 tons; or plus \$15 for orders of 10 tons or over. Thus, in effect, there are three ceiling prices (\$65, \$62.50, and \$60) for white vat lined boxboard. This same system prevails throughout the schedule, although in some cases minimum deductions from the base price are provided for. In addition, there are differentials allowed by varying thicknesses and for special operations in all of the grades.

Under a special exception, the additional charges for quantities less than 10 tons are eliminated if the buyer orders sizes in proper quantities and dimensions to fill the width of the paper-making machine.

All of the ceiling prices are the maximums that may be charged for the respective grades and tonnages delivered to the consumer.

Voluntary west of Rockies

OPA has no present intention of establishing maximum prices for board sold west of the Rockies, Mr. Henderson said, since the voluntary agreements with West Coast manufacturers do not expire until December 31, 1941, and have been operating satisfactorily.

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Ceiling covers all types of silk known to be in United States

Extension of Price Schedule No. 14—raw silk and silk waste—to bring under ceiling prices all types of raw silk now known to be in the United States was announced October 1 by OPA Administrator Henderson.

The original schedule, issued August 2, 1941, covered the principal grades and established maximums at quotations that prevailed on July 21, 1941, before developments in the Far East sent prices soaring.

On July 26, 1941, domestic silk stocks were frozen by order of the Division of Priorities, OPM, which followed this action by undertaking an inventory of silk holdings.

Inventory revealed other types

Recently completed, the inventory disclosed that there were comparatively small amounts of numerous types and grades of raw silk not covered by the original OPA price schedule. These are now included in a comprehensive amendment.

Ceiling prices set for the newly added types and grades are based upon the prices already established for the leading types. Except for China silk, now broken down into grades, deniers, and colors, no change has been made in the prices of these basic types.

The maximums will apply to all sales of silk, including sales of silk now or hereafter released from OPM's freezing order and to all transfers of silk ordered by OPM to manufacturers holding defense contracts.

It was announced that OPA does not contemplate making any provision for completion of existing contracts at prices above those established in the schedule.

Rayon grey goods reporting modified for new weaves

Amendment of the rayon grey goods price schedule to modify a regulation which might impose a hardship on the originators of new weaves of cloth was announced October 3 by the Office of Price Administration.

Until now, the schedule required that sales contracts contain full details of the construction of each fabric sold, whether or not covered by maximum prices. As amended, this requirement will apply only to the fabrics specifically named in the schedule.

Disclosure to buyers of the make-up of new cloths in sales contracts, according to manufacturers, provided an easy means for competitors to obtain information that would permit imitation.

Still must report to OPA

The amended regulations still require manufacturers to keep full records of the production, prices, and constructions of all fabrics included in the schedule, as well as to report similar information to OPA each month on fabrics not under the ceiling, if made in quantities exceeding 25,000 yards a month. These reports, it is stipulated, must be filed even though the fabrics were not sold "in the grey," or unfinished state, but were further processed by the manufacturer.

1. Weavers will keep full records of all transactions, of all production, and of the details of manufacture of every fabric produced.

2. Weavers will submit to OPA, on forms provided for that purpose, reports showing the volume of production and full details of manufacture of every fabric not under the ceiling, if it has been produced in quantities greater than 25,000 yards monthly. The highest prices at which such goods are sold during the month covered are to be included in the form. These prices are to cover sales both for immediate and for future delivery. Reports will be due from all producers, however, whether the goods are sold in the greige or not. Where such fabrics are not sold in the grey state, this should be indicated on the report forms instead of listing the highest selling prices.

3. Invoices on all shipments of rayon grey goods must carry a style number or symbol which identifies the fabric in such a way that it refers to the weaver's records of the details of its manufacture. Sales contracts on fabrics covered by the ceiling must carry full details of manufacture.

Voluntary stabilization until November 10 announced for furniture upholstery prices

Voluntary stabilization of furniture upholstery fabric prices until November 10, 1941, at the levels prevailing on September 10, 1941, was announced October 3 by OPA Administrator Henderson.

Manufacturers may, however, request price increases up to five percent of the September 10 prices. Such requests may be submitted to OPA at any time prior to November 10.

Stabilizing raw materials

Meanwhile, OPA is undertaking to stabilize raw materials required in manufacture of upholstery fabrics and, in cooperation with the industry, will work on a permanent price stabilization program for the fabrics themselves. Combed cotton yarn, an important material in the manufacture of upholstery fabrics, already is under a price ceiling, while a schedule of maximum prices for carded cotton yarn, another essential material, is in the course of preparation.

A survey made in August 1941 of a representative group of furniture upholstery fabric manufacturers indicated that prices had risen sharply since the summer of 1940. It became necessary, therefore, to take action to stabilize prices and check inflation.

Representatives of the industry and OPA held a meeting in New York on September 19, 1941, at which 28 com-

panies, representing more than half the total looms in the industry, agreed to the following request:

"The Office of Price Administration requests that the members of the furniture upholstery industry, as individuals, agree with it not to increase the prices prevailing on September 10, 1941, for upholstery goods, until November 10, 1941, with the proviso that requests may be made to this Office for increases up to five percent of the September 10 selling price during the 60-day interval."

Approval of majority assumed

On September 20, 1941, Mr. Henderson sent letters containing the same request to 276 other units in the industry. The letters stated: "Because of the necessity of rapid action," OPA would "assume that you agree unless we hear from you to the contrary prior to Saturday, September 27." Only 18 companies replied that they could not agree, while 28 reported that they desired further consultation with OPA. These 46 companies represent a very small part of the total capacity of the upholstery fabrics industry.

It may therefore be assumed that the agreement has the approval of the vast majority of producers operating an overwhelming percentage of the total producing capacity.

OPM plans no silk imports now; some "opened" stock released

The following statement was issued October 2 by Frank Walton, chief of the textile section, OPM:

"OPM has no program to import more silk at this time and knows of no movement to bring more in. Any importation of silk in the future will depend on a number of factors, none of which can be determined at this time. Meanwhile, OPM is proceeding with the original plan to use the stocks of frozen silk for defense purposes.

"Opened" silk not for defense

"The Defense Supplies Corporation is buying such silk as is being offered and it is planned to use this silk in the defense program.

"All raw silk was frozen under Order No. M-22, as of July 26, 1941, and all such silk is still frozen under this order.

"Some raw silk had been opened for blending in plants in a normal way before the freezing order went into effect, but was frozen along with the rest. This 'opened' silk is being released now in some instances after being certified by the owner and checked by OPM. It was decided that the 'opened' silk would not be used for defense.

"The release of this 'opened' silk, however, had no relation to the entire silk program and the silk was released only for the reasons publicly stated at the time."

Mr. Walton made this statement in answer to a number of inquiries from silk owners, who wanted to know whether they should sell their frozen silk to the Defense Supplies Corporation and also wanted to know what action the Government proposed to take regarding the present stock of silk in the hands of mills and warehouses. Several reports published recently about the status of silk have created some confusion in the trade.

Consumer protests bring price action by local governments in three places

Consumer protests throughout the country are becoming increasingly effective in keeping prices from advancing unjustifiably and gouging a hole in the family budget.

As examples of sections where consumers have been particularly successful in prompting action by local governments to check prices, Miss Harriet Elliott, OPA Associate Administrator, in charge of the Consumer Division, last week cited West Virginia, Lawrence, Mass., and Chicago.

In West Virginia, consumers early this summer besieged Governor Neely with protests of the high cost of living, urging that "somebody do something" about it. Responding to complaints from individual consumers, petitions from consumer organizations, trade unions, and farm groups, and newspaper comment, Governor Neely drafted Dr. Julius Cohen, professor of government at the University of West Virginia, to help formulate a consumer-protective legislative program.

Two old statutes found

Digging through the old State statutes, Dr. Cohen found a long-forgotten law, never invoked, revealing that the State Commissioner of Agriculture had authority to regulate and supervise the operation of public food markets. In addition, this law required him to take action to insure that consumers got food products of uniform grade and quality at fair prices.

Dr. Cohen's research also brought to light an old statute dealing with weights and measures. Never previously enforced, this law was the basis for the appointment by Governor Neely of a staff of weights and measures inspectors. Bright, new labels are now decorating the scales in many a West Virginia store, showing they have been tested and approved by a weights and measures inspector, and that in that store consumers can be sure they are getting what they pay for.

"Battle of the milk bottle" won

Governor Neely also set up a 4-man consumers' research committee—promptly labeled by the press as "the antiprofitteering committee"—in the State Department of Agriculture. The State Attorney General was appointed chairman; Dr. Cohen, who is now on leave of absence from West Virginia Uni-

versity, executive secretary, and the Commissioners of Labor and Agriculture as the other two members.

With newspaper and consumer support, the "antiprofitteering committee" swung into action to protect West Virginia consumers from unjustifiably high prices. The first problem taken up was that of milk prices in Logan County, where milk was selling for 16 cents to 18 cents a quart. The "battle of the milk bottle," which was given much publicity by newspapers, the radio, and consumer groups, was won by the committee—and milk dropped to 14 cents a quart.

Retail grocers' aid enlisted

To check food prices, the committee next enlisted the aid of the West Virginia Association of Retail Grocers. Forms prepared by the State Department of Agriculture were sent to retailers for information on food prices, both wholesale and retail. Other food-price forms were prepared for consumer groups to give housewives for filling in. Similar information is being collected on rents.

In Lawrence, Mass., a city of textile mills booming with defense orders, Miss Elliott said tenants have had their rent advanced as many as two or three times within the last 6 months—in spite of lower tax assessments on real estate than last year.

Taxing power used as stick

Considering these rent increases as profiteering, the fair rent and price committee of the textile workers union recently protested to Mayor Walter A. Griffin. The mayor went into immediate action, calling in the landlords responsible. In most cases he found the landlords responded to reason. But where they did not, the Mayor indicated that property which has so increased in value as to warrant a raise in rents must also have increased in value sufficiently to justify a reassessment for tax purposes.

Since then, Miss Elliott said, reports of rent increases in Lawrence, Mass., have decreased markedly.

In the third locality cited by Miss Elliott—Chicago—Mayor Edward J. Kelly in response to consumer protests set up a special committee of three aldermen to investigate what the mayor called "the alarming trend" of rising prices and rentals.

Appointed on August 21, the committee is responsible for making a thorough investigation of the price situation in

Chicago, paying particular attention to prices most affecting the living costs of the average citizen and householder. The committee will hold public hearings to ascertain the facts—it has already started hearings on the price of milk in Chicago—and will then make a complete report to Mayor Kelly.

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Excise tax should not be added to consumer price but once, Henderson says

Manufacturers, wholesalers, and retailers dealing in articles subject to the new Federal manufacturers' excise taxes were asked October 1, by OPA Administrator Henderson, to exert their utmost efforts to prevent price increases to ultimate consumers exceeding the actual amount of the additional taxes.

Excise taxes of 10 percent applied that day for the first time to such articles as electric, gas, and oil appliances, including flat irons, fans, stoves, mixers, and vacuum cleaners; to a large list of rubber products, excluding footwear, and to electric light bulbs. As applied to articles that have carried excise taxes previously—such articles as automobiles, tires, tubes, radios, and household refrigerators—the new rate will be double or nearly double the old one.

"The increased prices paid by consumers as the result of the new levies should in no case reflect more than the actual dollar amount of the manufacturers' total excise tax," Mr. Henderson stated. "This policy should be applied to cases where excise taxes are continued and increased as well as where taxes are now being levied for the first time.

"Pyramiding of these taxes must be carefully guarded against. Where a manufacturer sells an article for \$100 and passes on the 10 percent excise tax it results in a price of \$110 to the wholesaler. Should the latter compute his regular mark-up price on the \$110 price, instead of on the \$100 base, the price to the retailer will be raised by more than the amount of the tax. If the retailer in turn calculates his mark-up, on this total, the final cost of the article to the ultimate consumer will be raised considerably in excess of the actual excise tax.

"Properly figured, the tax should be left out of all mark-up calculations. The threat to the general price structure if pyramiding of the new tax is resorted to by distributors of merchandise is real and dangerous."

News for Retailers

Manufacturers' Excise Taxes

Seconding the request of Leon Henderson, Administrator, Office of Price Administration, that retailers, manufacturers, and wholesalers exert their utmost efforts to prevent pyramiding the new Federal Manufacturers' excise taxes, the Retailers' Advisory Committee sent telegrams last week to national trade associations of retailers who deal in durable consumer goods.

The wire read:

"The Office of Price Administration has requested the cooperation of retailers all over the United States in preventing the application of retail margins to the manufacturers' excise tax on consumer goods, effective October 1.

"Your committee feels it is expressing the opinion of all retailers and of your trade association in stating that it considers it is imperative that no margins should be charged on taxes levied at the manufacturing level."

The following is an instance of tax pyramiding:

A manufacturer sells an article normally priced at \$100 and passes on the 10 percent excise tax by raising the factory price from \$100 to \$110 to the wholesaler. Should the latter compute a mark-up of 10 percent, on the \$110 price, instead of on the \$100 base, the price to the retailer will be raised to \$121 instead of \$120. Then if the retailer in turn calculates a mark-up of 40 percent on cost on \$121 instead of \$110 he increases the retail price to \$169.40. If the mark-up had been added separately the tax of \$10 would have raised the retail price only from \$154 to \$164, but in pyramiding the tax, the wholesaler and retailer inflated the \$10 tax to an increase of \$15.40, or an increase of over 50 percent in passing the tax on to the consumer.

Should such a practice become general, it would have serious inflationary effects. Administrator Henderson comments: "Properly figured, the tax should be left out of all mark-up calculations. The threat to the general price structure if 'pyramiding' of the new tax is resorted to by distributors of merchandise is real and dangerous. I am sure that American businessmen will take steps to avert this threat."

Commissioner of Internal Revenue Guy T. Helvering announced last week that caution must be exercised in follow-

ing or applying unofficial interpretations of the new tax law.

As an illustration, Commissioner Helvering referred to a published statement to the effect that manufacturers are prohibited from quoting the tax separately, although they may add the tax as an element of cost and thereby raise their prices. This statement is not correct.

The law does not prohibit a manufacturer from quoting the tax as a separate charge. When the tax is passed on, the manufacturer, at his option, may bill the amount of the tax as a separate item or include such amount in the sale price of the article.

The law provides a penalty for false statements to purchasers regarding the tax. Thus, a person making a statement, whether written or oral, that any part of the sale price of an article consists of a tax imposed by the Federal Government, and knowing that such statement is false or that the tax is not as great as the portion of the sale price ascribed to the tax, may be subjected upon conviction to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both.

Refrigerator Cut

Any immediate reduction in supplies of refrigerators to dealers because of the production cut ordered for domestic mechanical refrigerators by Donald M. Nelson, OPM Director of Priorities, last week, is not expected to be so drastic as the 43.2 percent figure implies.

Civilian Supply officials point out that this percentage is based on the average monthly factory sales in the 12 months ended June 30, 1941; the order applies to the 5 months from August 1 through December 31, 1941.

The major part of these 5 months are characteristically slow months for refrigerator production, and the limited output during the 5 months is only about 2 percent under average output for the same period last year.

Sales during the past few months have been at record levels. Shipments of electric household refrigerators from manufacturers to dealers and distributors for the first 8 months of the year were over 30 percent above the same period last year.

Since some of the recent buying was done in anticipation of the limitation order, the new 10-percent tax on sales

of refrigerators in effect October 1, or the installment credit curbs, demand for new units is expected to slacken somewhat anyway.

Meanwhile, retailers are expecting to feature their service departments for the duration of the materials stringency.

The program is expected to produce almost three times the number of new units needed to replace the 700,000 that wear out annually, but defense officials are encouraging owners of existing equipment to conserve carefully the refrigerators they now own, so that householders not now owning refrigerators may have first chance at the new models produced.

The Consumer Division of the Office of Price Administration has prepared a bulletin entitled, "Your Refrigerator and National Defense," urging consumers to take good care of their refrigerators as an aid to defense. The booklet will be available soon for free distribution.

Among the suggestions for efficient use are a checking over by a repairman, if the refrigerator, after it has been properly defrosted and cleaned, runs much more than when it was new.

Because of defense demand for chlorine, basic raw material for Freon, a civilian allocation program for this refrigerant was promulgated in August.

The Freon shortage was first felt in servicing departments. Protests from retailers in all sections of the country that they were unable to service refrigerating and air-conditioning equipment that was deficient in Freon were instrumental in the issuing of the program, which gave first call on available supplies of Freon to installed equipment.

Manufacturers of new refrigerators, who previously had access to sufficient quantities of the refrigerant due to superior trade contacts, were allowed to contract supplies only after demands for servicing existing units were met.

As a result of the order, supplies of Freon are now available for servicing refrigerators. So far, refrigerator manufacturers who customarily employ Freon, have had adequate supplies to meet their now-curtailed production; however, should a further shortage develop in the future, manufacturers using Freon will be required to redesign their equipment for the use of some other refrigerating gas such as sulphur dioxide, or methyl chloride. Owners of installed equipment unable to get replacement supplies of Freon would have had to make extensive mechanical changes in their equipment or lose a considerable part of the refrigerating efficiency of their machines.

Ceilings set on carded cotton yarns based on market price of "spot" raw cotton

Celling prices directly keyed to the market price of "spot" raw cotton are established for the full range of ordinary commercial carded cotton yarns, base material for all of the more common grades of cotton fabrics, in a new price schedule issued October 4 by OPA Administrator Henderson.

This is the first formal ceiling in the cotton goods field incorporating OPA's recently announced formula for automatic adjustments in maximum prices of yarn and grey goods whenever the market price of raw cotton declines or advances by a specified number of points.

The formula is also being worked out for application to combed cotton yarn and the types of cotton grey goods now covered by price ceilings, as well as for the numerous other constructions of cotton cloth to be added shortly to the grey goods schedule.

In gearing maximum prices for carded yarn to cotton prices, a base of 15.99 cents a pound for raw cotton was used. This was the average price for cotton on 10 "spot" markets on July 19, 1941, when the prevailing ceilings were established for combed yarn and grey goods. Using the 15.99-cent cotton price as a base, the carded yarn schedule sets maximum prices ranging from 35 to 55 cents a pound for the various numbers in single ply and from 39 to 60 cents for numbers of two or more plies.

Adjustments for change of 44½ points

Adjustments of one-half cent a pound above and below these "base prices" are provided for all numbers of yarn, single or plied, whenever a change of 44½ points occurs in the price of raw cotton as measured by the average closing price of ½" middling grade on the 10 "spot" markets for the previous day.

Using 20's, a leading number, for purposes of illustration, the formula works as follows:

"Spot" raw cotton (cents per pound)	Ceiling prices (cents per pound)	
	20's (single)	20's (plied)
14.21-14.65.....	36	40
14.66-15.09.....	36½	40½
15.10-15.54.....	37	41
15.55-15.98.....	37½	41½
15.99-16.43 ¹	38	42
16.44-16.87.....	38½	42½
16.88-17.32.....	39	43
17.33-17.76.....	39½	43½
17.77-18.21.....	40	44
18.22-18.65.....	40½	44½

¹ Base.

Since the average closing price of "spot" cotton on October 2 was 17.01 cents a pound, or 102 points above the 15.99-cent "base", the maximum prices for 20's as of October 3 were 39 cents for singles and 43 cents for plied, or one cent a pound above the "base prices."

It is stipulated that carded yard ceiling prices automatically established by application of the formula shall not change until the day after "spot" cotton closing prices show a 44½-point fluctuation.

The maximum "base prices" set for carded yarn are 3 cents a pound below the corresponding numbers of combed yarn. However, more cotton is wasted in the production of combed yarn. Hence, the revised schedule for that type, now being prepared, will provide for upward and downward revisions of maximum combed yarn prices on changes of something less than 44½ points in raw cotton prices.

Amendment not practical

The first announcement that ceiling prices would be set for carded cotton yarn said that this would be done by amending the combed cotton yarn schedule, rather than by issuing a separate schedule. Subsequent adoption of the new price formula, however, made this impractical.

Normally, carded yarn, excepting certain special grades, sells below equivalent counts of combed yarn. Since the latter product has been subject to a schedule of maximum prices this normal differential has narrowed considerably and in some instances has disappeared. The result has been disturbing both to sellers and users of carded yarns.

Differential for combed and carded yarns

The new schedule, which was drawn up after consultation with a committee of carded yarn spinners drawn from the Cotton Textile Advisory Panel, establishes a differential between combed and carded yarn prices reflecting an appropriate relationship. At the same time, through use of the new formula, yarn trading will not be disturbed by changes in cotton prices.

Both combed and carded cotton yarns are produced from raw, clean cotton and, up to a certain point, are made

by the same manufacturing process. In the final stages, however, combed yarn is put through an additional process which removes the short cotton fibres, leaving only the longer fibres. This results in a stronger yarn of fine quality suitable for weaving of fine broadcloths, lawns, dimities, etc., and for use in the production of higher grade net goods. Combed yarn also is used by women's hosiery mills and by lace, knitting, and thread manufacturers.

Carded yarn finds a much wider variety of uses, such as in the weaving of print cloths and sheetings and in the manufacture of carpets and rugs, twine, wire insulation, men's socks, and underwear.

Yarn "numbers" indicate the diameter of the yarn, with the coarser diameters represented by low numbers and the finer counts by high numbers. As the name implies, "single" refers to yarn of a single strand, while "plied" is yarn of two or more strands.

Applies only to yarn for sale

Like the combed yarn schedule, the new carded yarn ceiling applies only to yarn for sale and not to the yarns produced for use within the manufacturer's own plant. Sales for export are exempted from the schedule.

It is provided that once a contract has been made in conformity with the schedule it shall be completed at the stipulated price, irrespective of any changes in the ceilings that may occur because of fluctuations in raw cotton between the date of the contract and the date of delivery.

Deliveries under contracts made before the carded yarn ceiling becomes effective are to be carried out at prices correlated in the schedule to the "spot" cotton price on the day before the contract was entered into.

The schedule covers only carded yarn of ordinary commercial quality. About 10 percent of the total production of carded yarn is made up of certain special types. These yarns, the schedule indicates, should sell at the customary differential below or above the prices set for ordinary commercial grades.

Conferences to fix specific differentials for special yarns will be held shortly with yarn manufacturers. It is pointed out that, under the established policy of OPA, deliveries of such yarn, once the differentials have been fixed, will not be permitted at higher than ceiling prices, regardless of commitments to the contrary.

MEDIATION BOARD . . .

Consolidated workers reject agreement reached before Board; seamen's bonus settled

The National Defense Mediation Board last week obtained settlements in two cases involving 20,440 men and resumption of production in three additional cases where 2,583 men were on strike.

Consolidated Aircraft Corporation

Aircraft Lodge 1125, International Association of Machinists, AFL, at a meeting in San Diego, Calif., October 5, refused to ratify the agreement reached before the Mediation Board 2 days earlier between the union's representatives and the representatives of Consolidated Aircraft Corporation.

The union had demanded an increase of 10 cents an hour and when the company refused to grant more than a 5-cent increase, the union voted to strike the company's 27,000 employees on September 29. The case was certified to the Board September 24, and even before the Board wired the parties, the union issued statements in San Diego to the effect that there was no need to strike since the case had been turned over to the Mediation Board. Terms of the agreement which was subsequently rejected were not revealed.

Shipowners

The Board last week took an unprecedented step in its recommendations for settling the war bonus dispute between the shipping companies and the Seafarers International Union and the Sailors Union of the Pacific, both AFL. If the recommendations are finally accepted by all parties, future disputes over the war bonus question will go through a three-step settlement procedure before a strike can be called. The first step is collective bargaining between the unions and shipowners; the second, an appeal to the U. S. Conciliation Service for assistance, and the third, the appointment by the President of a three-man fact-finding board upon the request of the director of the U. S. Conciliation Service.

Ships cannot be tied up until after that procedure has been followed and the three-man Presidential board has made recommendations for settling the dispute. This procedure will be effective until November 1, 1943.

As for the immediate dispute which resulted in an 11-day strike that tied up

a total of 26 ships in New York, Boston, Mobile, Alabama, New Orleans, and Tacoma, Wash., the panel rejected the union's demands for bonuses for African ports, for the Caribbean Sea and the Western Pacific, and the proposed increase in insurance. The Board decided that the monthly war bonus should be \$80 instead of the \$60 now prevailing, because of the recent losses of and damage to American vessels. The Board recommended a raise in the rate for the Port of Suez from \$75 to \$100 plus \$5 a day for each day after the first 5 days in port. Increases are retroactive to August 16.

The recommendations were accepted subject to ratification by the representatives of the Sailors Union of the Pacific, AFL, and the companies involved. The representatives of the Seafarers International Union, AFL, agreed to carry these recommendations to their members and explain to them why it was in the union's interest to accept and to explain "the membership's responsibility in connection with these recommendations."

American Brake Shoe & Foundry Co.

After 3 days of hearings, the Board obtained an agreement for settling the union shop and wage dispute between the American Brake Shoe and Foundry Co., Mahwah, N. J., and the International Molders and Foundry Workers Union, Local 315, AFL. Terms of the agreement were not revealed and were subject to ratification by the union. A strike of 440 men since July 28 was called off September 24 at the request of the Board.

After 2 days of hearings on the issue of wage classifications, an unauthorized strike involving 1,600 men halted production October 2 at three plants of the Breeze Corporations, Inc., in Newark and Elizabeth, N. J. The Board immediately informed the international officers of the United Automobile Workers, CIO, that it would not resume consideration of the case until the men returned to work. At a meeting of the union the morning of October 3, the men voted to call off the strike and return to work on the afternoon shift. Accordingly, hearings were resumed the following morning and continued over the week end.

Agreement was reached without the necessity for Board hearings in the dis-

pute between the Shaw-Box Crane and Holst Division of Manning, Maxwell and Moore, Muskegon, Mich., and the United Auto Workers' Local 644, AFL, over the union's demand for maintenance of membership and wage increases. A strike since September 17 was called off when the union and the company reached an agreement in Muskegon October 3.

Bituminous coal—Alabama and captive mines

Following 2 days of hearings, the Board told the representatives of the Alabama coal mines and of the United Mine Workers of America, CIO, October 3 that it had sufficient information on which to make recommendations for settling the dispute and would do so as soon as possible. The case involves 22,500 miners and the main issues still in dispute are a demand by the union for a 40¢ increase in the daily wage and abolition of the washer loss clause in the contract. Hearings in the dispute between the captive coal mine operators and the United Mine Workers of America will be resumed October 7.

After 5 days, the Board on October 3 adjourned the hearings on the dispute between the Ohio Brass Co. and the United Electrical, Radio and Machine Workers of America, Local 747, CIO. Unable to obtain an agreement between the parties, the Board announced that it would appoint a special representative to investigate the issues and report back his findings. The union had called off its strike of 600 men at the company's plant in Barberton, Ohio, September 16 after the company accepted interim recommendations from the Board providing for a return to work without discrimination and containing a clause which would make any wage increases retroactive to the date of return to work. The union had accepted the recommendations when they were made August 14. The company accepted after a month's deliberation and the men returned to work.

The Steel Workers Organizing Committee, CIO, informed the Board October 4 that it was calling off its strike of 400 men at the plant of the Arcade Malleable Iron Works, Worcester, Mass., pursuant to a Board request which followed certification the previous day. The strike, which had lasted 2 months, grew out of the union's demands for increased wages and a union shop. The company makes torpedoes and aircraft engine parts.

HOUSING . . .

Priorities mean sacrifice but not ruin for mortgage bankers, Palmer asserts

Priorities for defense housing do not mean that the mortgage banker will be put out of business, Defense Housing Coordinator Charles F. Palmer told the Mortgage Bankers Association of America on October 3, but "I must tell you bluntly that you face sacrifices."

Excerpts from Mr. Palmer's address follow:

For many weeks I have been working with OPM to set up a procedure to grant priorities aid to the home building industry. That procedure went into effect September 22. It will assure priority aid for 200,000 privately financed defense homes. In other words, private industry can now be sure of getting the critical materials needed to house 200,000 families of defense workers.

"Mortgage business will continue"

From your point of view this means that mortgage business will continue to be done in this country and that the defense program is not going to put you out of business. At the same time, I must tell you bluntly that you face sacrifices. The mortgage business is going to be curtailed. These defense homes cannot exceed \$6,000 in value and must be built in defense areas for defense families. You cannot expect "business as usual" under these conditions. But we cannot build America's defenses unless we all make sacrifices, and, in the housing field, this means that all our energies must be devoted to housing essential for defense.

I do not bring you the message that we in Washington guarantee through the housing priorities system continued normal prosperity for mortgage banking. I can, however, assure you that this priorities plan *does* guarantee certain things. It means that mortgage banking will not be ruined by a sudden drastic curtailment of private building; it means that you will continue to serve the country's economic system in a highly important way.

Using private builders

Aside from handling priorities, the work of the Defense Housing Coordinator has consisted of two parts, only one of which is shown by the statistics of houses built by the Government. Public agencies have completed over 36,000 housing

units and have let contracts for over 50,000 more.

Despite this, the job is no nearer completion than it was a year ago because of the continued expansion of the whole defense program as the country gradually swings into its stride. But these figures really are of secondary importance, because the *first* job of defense housing coordination has been to bring in as much private construction as possible.

Government couldn't do it all

The reasons for this policy were entirely practical. If we had attempted to do the whole job with public funds, the program would have been more logical on paper, but would have bogged down in practice. The well-organized and efficient building organizations of the Government would have been overexpanded with serious loss of efficiency, and the facilities of the numerous private contractors who are capable of rapid and economical construction would have been wasted. Our objective has been the same as that of the whole defense program, to use all existing organizations to their full capacity with as little confusion and delay as is humanly possible. Progress has been good so far, and the

privately built defense housing has amounted to several times as many dwellings as those built by the Government.

Problem of material priorities

Now we come to a new problem, the difficult matter of priorities in materials. Here also, the Government has no intention of favoring public housing as such, but only of favoring whatever use of scarce materials is deemed to be most valuable for defense.

While we are continuing under the system of priorities to encourage all possible private housing construction in defense areas, necessarily the priorities will reduce building activity in other parts of the country. This effect will be a hardship both to investors and to contractors and workers in the nondefense areas. To some degree, the curtailment of nondefense construction will be relieved by transfer of workers, by contractors bidding for jobs in defense areas, and by transfer of capital or its temporary investment in defense bonds. Another feature that will help to relieve the distortion of defense construction is the spreading of defense contracts by subcontracting, a difficult job that is being tackled and that deserves to be encouraged by everyone who is interested in easing the burden that must be carried.

1,835 defense homes listed as completed in week

Charles F. Palmer, Coordinator of Defense Housing, announced October 2 that 1,835 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending September 27, making a total of 38,395 now ready for occupancy.

With 715 homes going into construction during the week, the total of publicly financed homes completed or now being built reached 91,213.

Federal funds have already been allotted for 118,935 defense homes.

FHA-inspected privately financed homes started during the week, totaled 4,732. Since January 1941, such homes numbering 166,161 have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,578.

President approves plan for 1,400 more homes

President Roosevelt determined October 2 that a need exists for 1,400 homes for families of industrial defense workers and enlisted personnel in five localities, upon recommendation of Defense Housing Coordinator Palmer.

In addition, the President approved provision of 50 dwelling units and the construction of a trailer park under the temporary shelter program of the Division of Defense Housing Coordination. The trailer park will provide facilities for families of workers who own trailers parked under unsanitary conditions.

The program follows:

Permanent: Pittsfield, Mass., 100; Astoria, Oreg., 100; Portland, Oreg., 400; Texarkana, Texas-Ark., 400; Tacoma, Wash., 400.

Temporary shelter: Seneca County, N. Y., Trailer Park; Pascagoula, Miss., 50.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Billion dollars' worth of United States food destined for Britain in next 5 months

A billion dollars' worth of food from America's farms is scheduled to go to Great Britain in the 5 months from October 1941 through February 1942.

That figure was used by Secretary of Agriculture Wickard in discussing the importance of American agricultural products to the United Kingdom and other countries resisting aggression.

A statement by Mr. Wickard follows:

In a sense, food products have been the most important products going to Great Britain under the Lend-Lease Act. While a decrease in the number of planes or other munitions supplied would have lowered the effectiveness of the British fighting forces, a substantial decrease in the amount of food furnished England might have made impossible a continuation of the fight against Nazi Germany. This may be even more true in the months just ahead than in those just past.

Britain must import

The United Kingdom is a densely populated island that cannot possibly produce enough to feed itself. In normal times, it imported about two-thirds of its food, relying on a continuous flow of supplies from abroad.

Fifty percent of Britain's meat was imported. Cheese is an essential part of the British workingman's diet, but 75 percent of Britain's normal supply had to be imported. More than one-third of Britain's eggs were supplied from foreign sources. For fresh fish, the United Kingdom relied largely on its own fishermen, but all canned fish was imported. Ninety-two percent of the consumption of oils and fats were imported. Among these items are the principal protein foods. The countries from which they came are now to a very great extent inaccessible to the United Kingdom.

In an effort to relieve the food and feed position, British agriculture has extended itself as far as was humanly possible. The acreage under the plow in Great Britain has been increased by 25 percent and is still growing, but it cannot begin to make up the deficiency caused by the war.

The United Kingdom is getting from Canada about all of the food which can be provided by that country.

The United States has assumed the responsibility of supplying some of the remaining British food needs. Up to August 31, 1941, there has been allo-

cated to the Department of Agriculture about 433 million dollars for this purpose from the money appropriated for agricultural, industrial, and other commodities under the Defense Aid Supplemental Appropriation Act of 1941. Further allocations are currently being made as plans develop for new items or increased quantities. The proposal has been made that an additional allotment of a billion dollars be provided in a new appropriation. This is the very lowest estimate of funds needed for the commodities the Department has promised to supply to Britain. It includes purchases made and commitments entered into up to February 28, 1942.

One-third for pork products

Almost a third of the billion-dollar total is for pork products. The British people would prefer to have beef, but we have no beef surplus in this country, so they are taking pork, cured pork and canned pork chiefly, together with the lard that is a byproduct of the hogs that are raised to get this pork. In 1942 we hope to supply the British with some 1½ billion pounds of pork and lard.

For dairy products and eggs, another third of the billion dollars is intended. The situation with regard to dairy products presents greater difficulties, so far as production is concerned, than pork. Dairy products are not normally produced in sufficient quantities to provide an export surplus. In fact, we ordinarily depend upon a small net importation to meet United States requirements, yet, in 1942, we are planning to supply the United Kingdom with products from some 4½ to 5 billion pounds of milk.

A half billion dozen eggs

We ordinarily import a small part of our total egg requirements, yet we plan to supply the United Kingdom with about a half billion dozen eggs in 1942.

For most of the other items—including tobacco, cotton, and a number of vitamin-rich fruit and vegetable products—the billion dollars include only the amounts which must actually be paid out by February 28, 1942.

American farmers are supplying the British people with invaluable quantities of food. It is not to be thought, however, that this will keep the British in luxury or even restore their food consumption to the level prevailing before the war. On the contrary, the level being aimed at is only a safe minimum.

Rockefeller establishes new division to set up Tropical Agriculture Institute

Plans for the establishment of an Inter-American Institute of Tropical Agriculture were advanced September 27 when Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced the establishment of a Division of Agriculture in the Coordinator's Office and the appointment of Dr. Earl N. Bressman as director of the new division.

The new division will have as its primary objective the establishment and operation of the proposed Institute of Tropical Agriculture, long advocated by Vice President Wallace.

Dr. Bressman was assistant director of the Office of Foreign Agricultural Relations of the United States Department of Agriculture before joining the Coordinator's staff.

Mr. Rockefeller said:

"This project was first publicly announced by Vice President Wallace, as

Secretary of Agriculture, when he outlined its objectives as follows to the Eighth American Scientific Congress held in Washington in May 1940:

"Promotion of a better-balanced agricultural economy in the Western Hemisphere; preparation of comprehensive data on the agricultural problems of the American republics; development of a broad knowledge of tropical agricultural pests and diseases; solution of serious problems in crop and animal production; and creation of understanding among future agricultural leaders of the Americas."

"Other activities of the division will be concerned with maintaining liaison and close cooperation with the Departments of State and Agriculture in carrying out agricultural surveys in the other Americas and in carrying out the resulting recommendations."

TRANSPORTATION . . .

Budd reports on a year's activities in transportation for defense

Transportation Commissioner Ralph Budd, OEM, reported September 27 on a year of defense transportation. His summary was made in the course of a speech to the Veterans' Association of the Burlington Lines, at Des Moines, Iowa. Excerpts follow:

INLAND WATERWAYS

On the Great Lakes, where always a tremendous volume of such strategic commodities as iron ore and coal are moved, the defense effort has required the movement of a greater volume of iron ore than ever was handled before. Because of the prime importance of keeping blast furnaces supplied, everything possible has been done to facilitate handling of iron ore to and from the docks as well as on the Lakes. This involved extra ice-breaking service which enabled the earliest start of navigation in the history of lake-carrier operations. It also involves new legislation which enables the use of Canadian boats in lake service between United States ports, and the carrying of heavier cargoes through relaxing restrictions as to the load-limit line of boats operating on the Lakes. The entire cargo fleet is being operated at capacity and several new records have been made of tonnage handled.

Arrangement has been made for additional steaming facilities to thaw ore in cars at Upper Lake ports which will enable shipments to continue late in the season of navigation. Ice-breaking service is being arranged through the cooperation of the Coast Guard, in order to extend Lake cargo operation later than usual. Plans are being made already for ice-breaking service in the spring of 1942. The Lake Cargo fleet also has handled a heavy coal traffic from the lower lake ports to Lake Superior and Lake Michigan ports, although the coal strike substantially reduced this movement until midsummer.

Barges and boats operating on our rivers and canals are, with minor exceptions, handling all the freight they can carry.

TRUCKS AND BUSES

Trucks. There has been a shortage of for-hire trucks for some time but this cannot be called serious because it does not impede defense production so long

as other means of transport are available to move necessary traffic. There are about 600,000 for-hire trucks in the country and more of them should be built, to meet requirements. For-hire trucks constitute such an essential part of our transportation economy that there should be no difficulty in obtaining necessary materials to maintain the existing fleets and to make substantial enlargement.

As to the smaller types of trucks of which there are about four million, it would seem that no great hardship would be suffered if that number were not substantially increased, but new trucks and repair parts should be provided to replace worn-out trucks and to keep existing trucks in repair.

Buses. The most critical commercial transportation shortage which exists today is in the field of buses and street cars. Manufacturers apparently prefer to build trucks and automobiles rather than buses but there is a real public necessity and a real defense need for increasing the number of buses, both city and inter-city, and for making moderate increases in the number of streetcars. It is also vital that repair parts should be provided to keep the existing units in full operation. Some special effort seems to be necessary in behalf of these particular forms of transportation, or the handling of employees at many defense plants and also civilians who wish to use urban and interurban transportation will suffer. . . . Steps should be taken immediately to alleviate the situation. The matter is being handled to that purpose.

PIPE LINES

There has been no shortage of pipe-line capacity up to the present time, but on account of the withdrawal of tankers, pipe-line construction is being proposed because that means of transportation is more economical than railroad tank cars or highway trucks. While there is a considerable surplus of tank cars, it is doubtful that all of the requirements which may arise on account of the withdrawal of tankers from intercoastal service can be taken care of by that means.

AIRPLANES

There is a shortage of planes for commercial aviation, but it appears that the direct need of the Army and Navy for airplane manufacturing capacity is such that civilian supply will have to depend upon what they can spare from time to time. So long as there is ample transportation by highway and railway, the shortage of airplanes means only slower traveling for those who are unable to secure air passage between points in the United States.

RAILROADS

Passenger Equipment. Increasing volume of troop movements for maneuvers and other Governmental purposes, and on furlough, together with the fact that there are no priorities covering material for passenger equipment, may lead to some stringency in travel. The railroads have been urged to increase their standby supply of passenger cars by discontinuing some passenger service. As Transportation Commissioner, I recently addressed a letter to all of the State Public Utilities Commissions outlining the necessity for this program in the interest of National defense. The response to this suggestion has been helpful, and in many instances arrangements have been made to discontinue trains where this can be done without much inconvenience.

Freight Equipment. Since the railroads still handle nearly two-thirds of the total freight traffic of the Nation and since during the World War the railroad machine became clogged and service was unsatisfactory, it is only natural that the spotlight of attention should be focused on the adequacy of railroad service. From the beginning of the Advisory Commission my office has been engaged in a constant study of railroad traffic demand, present and prospective, and has made recommendations to the railroads as to necessary equipment to meet the requirements. In July 1940, I recommended that the total ownership of railroad cars be built up from 1,648,696 to 1,700,000. This program was adopted by the carriers and necessary equipment was ordered. Due to inability to obtain material, principally steel, the program is now 20,000 cars short of schedule and worse still the rate of production has declined to only 3,880 cars in August. With the increase in the defense program and the adoption of Lend-Lease a new proposal was made early in 1941 that by October 1,

1942, the railroads should increase their freight car ownership to 1,800,000. This program would entail replacing cars retired as well as adding 100,000 to the goal previously set, or a building program of 160,000 cars during the next year. This goal can be attained only if material is made available.

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CARLOADINGS REACH NEW PEAK FOR YEAR

Revenue freight carloadings during the week ended September 27 reached a new peak for the year with a total of 919,510 cars, an increase of 11.8 percent over the 822,434 cars loaded during the corresponding week in 1940. Increases were registered in all major commodities except livestock which showed a decrease of 5.7 percent. The details follow:

CARLOADINGS, WEEK ENDED SEPT. 27

	1941	1940	Percent increase
Grain and grain products.....	40,480	39,392	2.8
Livestock.....	16,513	17,517	15.7
Coal.....	170,759	158,484	7.7
Coke.....	13,900	11,690	18.9
Forest products.....	46,288	40,668	13.8
Ore.....	71,267	67,215	6.0
Merchandise l.c.l.....	160,593	158,034	1.6
Miscellaneous.....	399,710	329,434	21.3
Total.....	919,510	822,434	11.8
Cumulative (39 weeks).....	31,263,484	26,590,040	17.6

¹ Decrease.

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Silk substitution section corrects order form

Former users of silk and producers of rayon yarn were notified October 3 by the Silk Substitution Section, Division of Purchases, of an error in Form PD-113, which is to accompany all orders for the rayon yarn set aside for former users of silk. The error was contained in the formula for converting rayon yarn ordered into the equivalent of 100 denier yarn.

As corrected, the formula reads:

"Divide the pounds of each item being ordered in column two by the denier of such item in column three, but not by more than two hundred, and multiply the result by one hundred to obtain the equivalent of one hundred denier in column seven."

Producers were instructed to return to the manufacturer any of the forms in which the wrong formula was used, to enable the manufacturer to prepare a correct certificate.

HEALTH AND WELFARE . . .

FSA has approved 256 recreation buildings to be paid for by U. S., McNutt reports

Calling public recreation a vital element in national defense, Paul V. McNutt, Federal Security Administrator, spoke on "The America We Defend" before the Twenty-sixth National Recreation Congress, meeting September 29 in Baltimore, Md. Administrator McNutt, who, as Director of Defense Health and Welfare Services, is responsible for the present Nation-wide defense recreation program, said in part:

As we prepare for national defense on a scale hitherto undreamed of, we must provide the leadership necessary to maintain the great gains made in public recreation during recent years. And we must also man the recreation sector in national defense. . . . Cities, towns, and villages all over the country are being inundated by servicemen on leave, and by defense workers. . . .

\$150,000,000 for community aid

On the last day of June, Congress passed the Community Facilities Bill, under which Federal funds may be used to build recreation centers in defense areas. Although considerable advance planning had been done, the business of preparing applications and specific plans could not be undertaken until we had the law and the money. Of that money—a Federal appropriation of \$150,000,000—we have been able to secure about \$17,000,000 for construction of recreation buildings. The remainder will be used for equally essential facilities—schools, hospitals, clinics, sanitation systems, and water lines.

"All possible speed"

The Federal Works Agency and the Federal Security Agency have had to lay out the entire program for all these expenditures.

I need not tell you there are plenty of headaches in . . . this omnibus enterprise. It has been carried through with all possible speed—with due consideration for both the magnitude and the urgency of this undertaking . . .

Some 256 recreation buildings have been approved by the Federal Security

Agency. Of these, 234 are to be located in the continental United States. Less than one-tenth of these buildings are estimated to cost more than \$100,000 apiece. In these cases, the additional expenditure is required in order to provide more accommodations because there are more men to take care of than the standard building would serve; or to adapt the auditorium for double duty as both a gymnasium and entertainment hall; or to conform to city ordinances with respect to fireproof construction. As of last Saturday, 62 plans had already gone through . . . the Federal Works Agency and the Budget Bureau and had been approved by the President. The PWA has assigned to General Somervell the construction work. He counts on having the buildings completed, with luck, in 2 months, and in any event within 3 months, after ground is broken. That means substantially all buildings finished by next January.

Defense towns resourceful

And meantime, neither the Federal Government nor the local communities, nor interested private agencies, nor individual citizens, have been sitting around waiting for somebody else to start. There are still a few towns where men looking for a place to spend their leave can choose only between the sidewalks, the honky-tonks and their even more questionable neighbors.

The typical defense town today may be overcrowded and hard-pressed. But it is on the job . . . Lacking other facilities, local recreation committees have been ingenious in utilizing high school gyms, church parlors, country clubs, vacant stores, and family living rooms. The agencies of the USO are operating in temporary quarters, pending completion of the Federal buildings which they will staff. The National Recreation Association has given all possible assistance. All in all, the composite picture is one of community hospitality that is spontaneous, openhanded and genuinely friendly . . .

America needs recreation now

The American people need recreation—and they need it now as part of national defense.

CIVILIAN DEFENSE . . .

Mrs. Roosevelt calls on youth to find its part in emergency

In her first public appearance as Assistant Director of the Office of Civilian Defense, Mrs. Eleanor Roosevelt on October 2 participated in a radio symposium on "College Students and Civilian Defense," over the Columbia Broadcasting System.

The broadcast, sponsored by the International Student Service of New York, included the following participants: Stirling Tomkins, Jr., junior chairman of the Yale Daily News; Jane Seaver, youth representative of the Volunteer Participation Committee of the Office of Civilian Defense; Louise Morley, conference secretary of International Student Service and chairman of the Youth Subcommittee of the Advisory Committee of the National Youth Administration; Jane Plimpton, chairman of the Vassar Political Association; Elizabeth Robertson of the Texas State College for Women, who is president of the National Student Federation of America; and Joseph P. Lash, general secretary of International Student Service.

"Unless youth is interested . . ."

In her opening statement, Mrs. Roosevelt said:

"I am interested in the part that young people play today in public affairs, for the very good reason that unless youth today is interested, not only in the part they can play in the present emergency, but in their responsibility for action when peace comes, we may find ourselves repeating many of the mistakes which history, I think, will say we committed in the 1920's.

Youth's obligation

"Young people learn best from young people. Those who do understand how important are the problems of today, have an obligation to communicate their concern to others of their generation. The young people who have the privilege of a college education, because of their contacts with the faculty, and with people who are taking part in the world of affairs, have an opportunity to study the past and the present, and to have a vision for the future. They are no wiser than other young people because they lack certain vital experiences in life that other young people may have had, but they have a special contribution of their

own to make, and it should be in the realm of leadership of thought, and of vision for the future."

Manual planned

Miss Seaver said that among the early objectives of the Office of Civilian Defense is the preparation of a manual of projects in which young people may participate.

Concluding the symposium, Mrs. Roosevelt said:

"When all is said and done, the basic thing which must move all of us in this country, is our sense of responsibility as individuals to the future of Democracy. We must realize that the freedoms of speech, of discussion, and of meeting, and of final expression at the polls, must be preserved for us and for the world. Without them the future would be dark indeed, for you young people. With them, you can accomplish all the dreams you have for a better world for all of us."

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School committee formulating plans to protect pupils

Methods to protect the lives of elementary and high school pupils and school properties were adopted October 1 by a committee of public, parochial, and other private school administrators, meeting as a committee under auspices of the Office of Civilian Defense.

An official statement of the committee said: "The personnel of school staffs must be organized to perform their respective functions. Some must be given special technical training, such as first-aid; that requires months. Buildings must be equipped with special apparatus and materials to deal with bombs and their effects. Unusual means of communication with and between the parts of the school system must be established. Centralized organization and control must, in certain respects, give way to decentralization. Children and those in charge of them must acquire new habits and abilities necessary in this new kind of emergency—old fire drills are not enough. Plans must be made for children to reach their homes or to stay in school under unusual time and space conditions."

OCD committees start work on fire defense program

Subcommittees of the advisory committee on civilian fire defense recently named by OCD Director LaGuardia were engaged October 2 in preparing a national civilian fire defense program. In addition to the study of fire prevention and protection, the advisory committee will study such questions as procurement, production, and maintenance of auxiliary fire-fighting apparatus.

Brig. Gen. L. D. Gasser, of the board of civilian protection of the Office of Civilian Defense, outlined the general problems of fire prevention and protection to the committee. William T. French, liaison officer, OCD, submitted to the committee the program thus far developed by the fire defense section of the civilian protection division of the Office of Civilian Defense.

George W. Booth, chief engineer of the National Board of Fire Underwriters, was elected chairman of the committee and Mr. French, secretary. Other members:

W. E. Bittner, assistant director of purchases, OPM; Horatio Bond, chief engineer, National Fire Protection Association; W. W. Dean, fire prevention section, Office of the Quartermaster General, War Department; Daniel A. Deasy, chief, New York Fire Department, consultant of the Office of Civilian Defense; Commander Harold K. Hughes, Bureau of Yards and Docks, Navy Department; W. H. Palmer, chief, Fire Department, Charlotte, N. C., representative of International Association of Fire Chiefs; Dr. David J. Price, principal chemical engineer, Bureau of Agricultural Chemistry and Engineering, Department of Agriculture; George J. Richardson, secretary-treasurer, International Association of Fire Fighters, AFL Building, Washington, D. C.; R. E. Wilson, Insurance Committee for the Protection of American Industrial Plants.

Subcommittees named by the advisory committee include:

Policy: Mr. Booth, Mr. Bond, Mr. Richardson, and Dr. Price. *Training:* Mr. Richardson, Chief Palmer, Chief Deasy, and Mr. Bond. *Consultants:* W. Fred Heisler, associate director, School of Technical Training, Oklahoma Agriculture and Mechanical College, Stillwater, Okla., and James R. Coxen, of the United States Office of Education.

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Internes from 15 republics begin study in United States

Thirty-seven medical internes from 15 other American Republics have begun a year's study in leading United States medical institutions, it was announced last week by Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Methanol from wood put under price ceiling

Methanol made from wood, commonly known as wood alcohol, a basic industrial chemical that has advanced sharply in prices while markets for synthetic methanol have held firm at much lower levels, is brought under a uniform ceiling at 60 cents a gallon, delivered east of the Mississippi, in a price schedule announced October 4 by Leon Henderson. West of the Mississippi a maximum price of 63 cents is set.

Some quotations up 25 percent

In previous years, prices of wood alcohol have been largely governed by the price of synthetic methanol, which is competitive for most uses. However, with demand greatly stimulated by the defense program, wood alcohol markets recently have become disordered. Prices quoted publicly during the third quarter showed advances of 25 percent or more and large sales have been made at prices far above any published figure.

In contrast to the inflationary situation in wood alcohol, synthetic methanol prices have held steady at 30 cents a gallon during the first three quarters of 1941 and the largest producer has announced a reduction of 2 cents a gallon for the fourth quarter. This producer and the three other companies responsible for virtually the entire United States output of synthetic methanol have agreed with the Office of Price Administration not to raise prices without at least 30 days' advance notice to OPA.

Covers containers of 50 gallons or more

The new schedule on methanol from wood, which covers all transactions in containers of 50 gallons or more, sets a maximum price of 60 cents a gallon, delivered in tank car lots, for the four principal grades of wood alcohol sold east of the Mississippi River. West of the Mississippi 3 cents a gallon may be added to the base ceiling price.

When sales in any territory are made in carload quantities in drums or other containers, the schedule allows the addition of 6 cents a gallon. In the case of less-than-carload sales in drums or other containers, 16 cents may be added.

The four grades named in the schedule are: Denaturing, pure, 95 percent, and 97 percent. The percentage designations shall include all approximations thereof, it is stipulated. Sworn statements of compliance with the maximum prices are required by the schedule.

Henderson refuses rise in lumber prices asked by Virginia, North Carolina mills

A request for an over all increase of \$2.00 per 1,000 board feet in the established maximum prices for No. 2 grade Southern pine lumber produced in Virginia and North Carolina was refused October 3 by OPA Administrator Henderson.

Content costs are higher

Freight rates on 1,000 board feet of lumber from Virginia and North Carolina mills to such major industrial centers as New York, Philadelphia, and Baltimore are from \$2.50 to \$5.00 less than freight charges to these centers from Georgia mills. Under the OPA price schedule, ceiling prices at mills are the same in all Southern States for given grades of lumber.

The Virginia and North Carolina mills asked that they be permitted to take advantage of this difference in freight rates by adding \$2 per 1,000 board feet to the ceiling price in their States. They also contended that their costs were higher than in other States.

Mr. Henderson rejected the request for the following reasons:

Increases such as the one requested would set up differentials between prices received by mills based solely on favorable or unfavorable situations with respect to freight rates. It would end in a "complete delivered price or basing point system" for the industry. Such a system would mean that there would be only one price to the consumer whether he is next door to, or five hundred miles from the mill.

Others could claim same treatment

If this increase were allowed a similar increase could justifiably be claimed by all areas where freight rates were lower than those from the more remote areas.

Actually, Mr. Henderson said, the maximum prices established in the Southern Pine schedule (Price Schedule No. 19) provide a ceiling that is liberal in relation to costs for the entire producing area.

Consumer Division adds four to field staff

Appointment of four new members of the field staff of the Consumer Division, Office of Price Administration, was announced September 30 by Harriet Elliott, Associate Administrator of OPA. The new field workers are: John W. Edelman, of Arlington, Va., special consultant on the consumer problems of labor; Samuel Jacobs, of Detroit, Mich., and Mrs. Loretta Vrooman, of Des Moines, Iowa, regional representatives for the Midwest; and Mrs. Ethel P. Haselkorn, associate field representative for the New York and New England area.

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OPA corrects silk price schedule

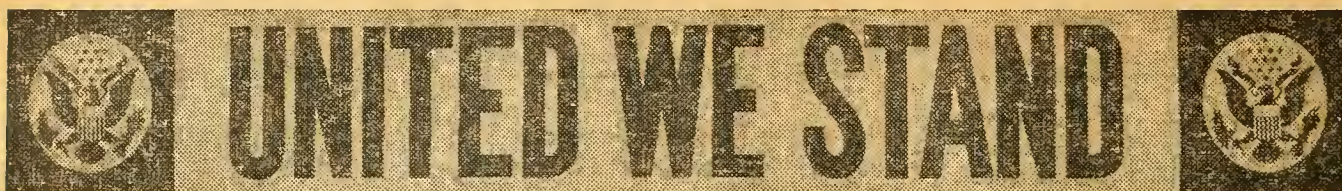
The Office of Price Administration announced October 4 an amendment to its raw silk price schedule to correct an error. In table II of appendix A the maximum price of yellow China silk, grade E, 13-15 to 18-20 denier, inclusive, should read \$2.96, instead of \$3.96, according to the amendment. The amendment is effective as of September 30, 1941, the date table II was issued.

"Dry wash" rating for washing machines urged

Minimum standards of performance and a uniform method of rating capacities of domestic washing machines, which could be used by manufacturers and distributors in informing consumers of the service to be expected from household laundry equipment, were explored at a meeting in Washington, September 29, by the American Standards Association's committee on defense emergency standards for domestic washing machines. The meeting was attended by representatives of the industry.

"Dry wash" measure urged

The committee unanimously agreed to recommend that manufacturers designate washing-machine capacity in terms of "pounds of dry wash" in place of the dozen-odd methods now in use. A technical subcommittee was named to develop a standard method for testing the washing effectiveness of laundering equipment in order to provide prospective purchasers with uniform information. Another subcommittee was named to work out definitions and minimum standards for other requirements of washing machines such as safety and durability.



OEM DEFENSE PHOTO

UNITED WE STAND . . . The 10-foot red-white-and-blue streamer reproduced above has been issued by the Division of Information, OEM, for display in defense plants. Three-column mats of the poster are available to newspapers and other publications on request to the Distribution Section, Information Division, Office for Emergency Management, Washington, D. C.

Gardner heads Cork Branch, Murray chief of Rubber

An article printed in DEFENSE September 30 made it appear that F. W. Gardner had been appointed chief of the Rubber Branch in OPM. Mr. Gardner heads the new Cork and Asbestos Branch, in the Materials Division. The Rubber and Rubber Products Branch, in the Civilian Supply Division, is in charge of Barton Murray.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the Federal Register, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE, on request to the Distribution Section, Division of Information, OEM.

"Flying squadron" of engineers to visit areas threatened with defense unemployment

A "flying squadron" of 50 engineers to determine whether industries threatened with priorities unemployment can be converted to defense production will be established immediately, Floyd B. Odum, Director of the Contract Distribution Division of OPM, announced October 1.

Mr. Odum made the announcement at the organization meeting of the engineering advisory committee he established the previous week to assist the division in speeding up defense production and relieving priorities unemployment by spreading defense work.

To supplement present force

Members of the committee agreed to help the division obtain the 50 qualified engineers immediately. This staff will supplement engineering forces already maintained by the division in Washington and in the field, visiting communities or whole industries where the Labor Division of OPM finds that severe unemployment exists or is threatened due to shortage of material for nondefense work.

Cases in which the engineers find that plants can be converted to defense production will be certified to the War and Navy Departments and the United States

Maritime Commission with recommendations that suitable defense orders be placed with these firms.

Mr. Odum told the committee that the number of priorities unemployment cases now being investigated by the Labor and Contract Distribution Divisions for certification represented "only a flea bite" compared with the total number expected in coming weeks.

Members of the engineering committee, in addition to those listed previously in DEFENSE, are Elwood Horton, New York City; Mr. McCrell, New York City; H. G. Crockett, New York City; R. K. Blanchard, American Society of Mechanical Engineers; Dr. M. Ittner, Jersey City, N. J., and Charles H. Cogan, American Society of Electrical Engineers.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

OCTOBER 14, 1941

VOLUME 2, NUMBER 41

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9-----	1,588,500
Navy and Marine Corps, Sept. 1--	352,678
Nonagricultural workers, Aug-----	*39,542,000
Percent increase since June 1940--	11.6
18 defense industries, Aug-----	2,589,200
Percent increase since June 1940--	60.3

FINANCE

June 1940-September 30, 1941

Authorized program-----	*\$56,792,000,000
Army-----	24,607,000,000
Navy-----	16,978,000,000
Other agencies-----	*15,207,000,000

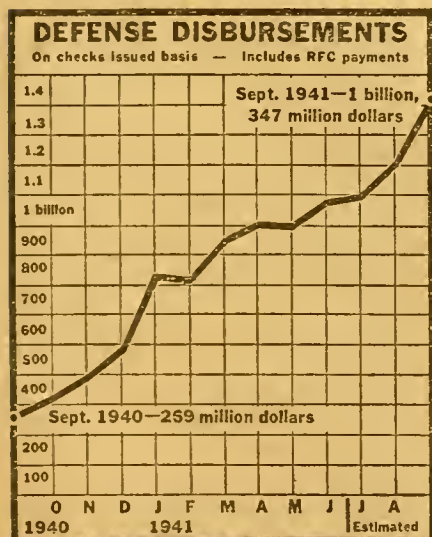
PRODUCTION

Paid on contracts, June 1940-	
September 30, 1941-----	*\$8,330,000,000
Military aircraft, September--	1,914
Combat vessels in September--	*6
Merchant ships, September--	*9

Week ended October 4

Significant defense strikes in	Strikes	Workers
progress during week-----	12	13,515
Number settled-----	6	2,545

*Preliminary.



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Review of the Week in Defense

The urgency of defense need for materials was brought home to the public last week when the Supply Priorities and Allocations Board laid down a policy that no new public or private construction may be undertaken with critical materials unless necessary for direct defense or health and safety of the people.

Estimates of the OPM Bureau of Research and Statistics indicated that because of priorities and allocations, new construction would decline in 1942 to \$8,500,000,000 from the peak of \$11,200,000,000 expected in 1941.

Not enough, says Stacy May

Meanwhile Stacy May, chief of the Bureau of Research and Statistics, declared in a broadcast speech that in his opinion our production plans are not big enough to give reasonable assurance of Axis defeat "within the next several years." The Bureau reported that approximately \$1,347,000,000 was paid out for defense in September.

Continuing the attempt to harness all possible factories to the national effort, the Contract Distribution Division certified the entire household washer and ironer industry to the War Department for special treatment in the awarding of defense contracts. It was the first industry-wide action of this kind. The Evansville, Ind., community, where 3,000 are unemployed because of material shortages, was recommended for the same consideration.

The Labor Division established a new and speedier system to report community dislocations requiring treatment by Contract Distribution.

Nation-wide check of aluminum foundries

As part of the campaign to see that available critical materials are used in accordance with the priority rules set up to direct them into essential production, the Department of Labor's Wage and Hour Division began a Nation-wide check-up of aluminum foundries. The report will be passed on to the OPM Priorities Division for any necessary action.

Other priority action placed iron and steel scrap under full priority control to

avert shut-downs in steel mills; added 12 classes of health supplies to those for which manufacturers may use priority ratings in getting materials; and extended a regulation under which makers of molded radio cabinets may use some synthetic resinous molding powder.

Asks 7 days a week on critical tools

OPM Director General Knudsen asked makers of vital machine tools to work their own critical tools 7 days a week. Also he recommended the rehabilitation of an inactive blast furnace at Chester, Pa., and the building of a dam in the Mahoning Valley steel-producing area.

OPM obtained a union agreement relaxing some plumbing code standards so as to save about 40,000 tons of critical metals in defense housing in the coming year. The Purchasing Division's fire equipment section worked out a program to eliminate scarce materials from non-essential trimmings of fire engines.

SPAB approved, contingent on any Army needs that may develop, the acceptance of orders for 228 commercial transport airplanes.

Scrap iron dealer refunds excess

The Office of Price Administration persuaded a large dealer in iron and steel scrap to refund to buyers all amounts collected in excess of ceiling prices in sales since September 2. Administrator Henderson warned that advances in quoted prices of wood pulp may force him to impose maximums. OPA put copper scrap prices on a shipping point instead of a delivered basis; prepared to raise the prices permitted on "Prime Western" and "High Grade" zinc, on the theory that in this case a price increase is necessary to increase supply; stabilized by voluntary agreement manufacturers' prices of brown paper grocery bags; and began a survey of the Mid-Continent crude oil situation.

Mediation Board gets four new cases

Air Associates, Inc., at Bendix, N. J., making airplane parts, rejected recommendations of the National Defense Mediation Board that the company re-

turn striking workers to their former jobs, and the Board announced that the case was out of its hands. The Board made recommendations in one other case, obtained an agreement to go back to work pending hearings in another, and appointed a special representative in still another. Four new cases were certified to the Board.

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Defense disbursements \$1,347,000,000 in September

Disbursements for defense purposes rose in September to approximately \$1,347,000,000, the Bureau of Research and Statistics, OPM, reported October 12.

This was \$203,000,000 higher than cash paid out in August, a rise of 18 percent. These are preliminary figures estimated on a basis of checks issued by the various defense agencies.

September disbursements bring the total since July 1, 1940, to \$10,560,000,000. Of this amount \$8,330,000,000 has been paid on contracts for ships, guns, airplanes, and other defense materials and on lend-lease shipments, while \$2,230,000,000 was paid out for pay, subsistence, and travel of the armed forces and administration of defense agencies.

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Defense clinic to be held in Chicago, October 22-24

In an effort to spread defense work into additional qualified plants in the Middle West, the Contract Distribution Division of OPM will sponsor a defense production clinic at the Hotel Stevens in Chicago on October 22, 23, and 24.

Manufacturers seeking defense work may obtain admission cards to the clinic by registering their plant facilities with the Chicago office of the Contract Distribution Division, Federal Reserve Bank Building. Those whose facilities are already registered with the Chicago office may obtain the admission cards merely by sending requests to that office for them.

At similar clinics conducted in other parts of the country, contacts resulting in hundreds of contracts and subcontracts have been made.

DEFENSE

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SPAB bans building with critical materials unless essential to defense, health, safety

The Supply Priorities and Allocations Board announced October 9 a new policy under which no public or private construction projects which use critical materials such as steel, copper, brass, bronze, aluminum, etc., may be started during the emergency unless these projects are either necessary for direct national defense or are essential to the health and safety of the people.

This applies to public projects—Federal, State, and local—such as the building of post offices, courthouses, and similar structures; to the construction of roads and highways; to river and harbor improvements; and to flood control and power projects. It applies to the construction of factories, lofts, warehouses, office buildings and all other commercial construction. It applies to residential construction and to construction for public utilities.

Not enough to go around

SPAB pointed out that because of the defense program's heavy demand for metals it will not be possible for the United States to build all of the warships, planes, tanks and other things essential to its national security if the scarce metals are unnecessarily used in building projects which are not vital to defense.

In effect, the new policy means that on all building projects hereafter two tests will be applied:

1. Does this construction involve the use of appreciable quantities of critical materials?
2. Is the construction directly necessary for national defense, or clearly essential for the health and safety of the civilian population?

If the answer to the first question is "yes" and the answer to the second question is "no," priorities for the critical materials involved will not be issued.

Where construction actually has started and a substantial portion has been completed, SPAB said, efforts will be made to get the critical materials needed to finish the job.

Sauce for the gander

The entire policy, SPAB held, is based on the fact that no construction job which is not absolutely necessary is entitled to a share of the materials urgently needed for defense. If factories are obliged to close because they cannot

get these materials, SPAB said, there would be neither rhyme nor reason in permitting the use of those same materials to erect public works, new factories, office buildings, or other structures unless it could be shown plainly that such construction is vital to the Nation.

SPAB urged all Federal, State, and local government agencies to refrain from issuing permits or other authorizations for construction work on which priorities assistance would have to be denied.

It also suggested that building codes in many cities require the use of excessive amounts of critical materials, and

NEW BUILDING IN 1942

probably will decline to about \$8,500,000,000 from the peak of \$11,200,000,000 expected in 1941, the OPM Bureau of Research and Statistics calculates. Page 5.

urged that such codes be suspended during the emergency.

In arriving at this policy, SPAB surveyed the entire field of construction to see what quantities of critical materials are used, how much money is involved, how much labor is employed and what defense and civilian needs are being met.

11 billions to be spent in 1941

Total construction during 1941, SPAB found, will probably reach \$11,000,000,000—about equal to the highest levels previously reached in 1926 and 1927. This figure does not include approximately \$3,000,000,000 which is being spent during the year on maintenance, repair and remodeling.

Of the \$11,000,000,000, about \$4,900,000,000 is being spent on defense construction, as follows:

Military construction	\$1,800,000,000
Industrial facilities	1,700,000,000
Defense housing	1,200,000,000
Defense highways	200,000,000

Nondefense construction for the year totals \$6,300,000,000. The breakdown here is as follows:

Residential construction	\$1,800,000,000
Industrial construction	500,000,000
Public works	1,500,000,000

Commercial building	\$900,000,000
Public buildings	400,000,000
Privately financed utilities	700,000,000
Farm construction	500,000,000

The critical material chiefly used in construction work is, of course, steel. The 1941 construction program is using about 13,800,000 tons of steel ingots—roughly one-sixth of the year's total consumption—of which approximately 6,300,000 tons are being used for nondefense construction. Industrial and public buildings are the chief sources of demand for steel in the nondefense construction area.

Saving steel

SPAB estimated that under the restricted program, steel used in nondefense construction could be held to less than 3,000,000 tons. These savings would be partially offset by the fact that defense construction in 1942 would require about 1,200,000 more tons of steel than were used in defense construction during the current year.

In addition, SPAB suggested that extensive additional savings might be made through substitution and conservation. In many types of public works and buildings the use of steel can be almost entirely eliminated. Reinforced concrete pipes can be used in place of steel for water mains. Buildings erected for emergency use can be built to less stringent specifications than those designed for permanent use, and hence can be built with less steel.

Employment in all types of construction in 1941 has averaged about 2,400,000 men, with a peak of 3,100,000 men reached in the present month. Defense construction is employing 1,200,000 workers. Nondefense construction employs 1,500,000, and 400,000 men are at work on maintenance, repairs and remodeling.

Workers would be displaced anyway

SPAB's studies indicate that defense construction next year will require about the same number of workers that it now uses. The amount of maintenance, remodeling and repair work during the year is expected to be roughly equal to the volume in 1941. Principal reductions in employment, therefore, will occur in the field of nondefense construction.

In that field, SPAB pointed out, growing shortages of critical materials would cause a considerable displacement of workers even if restriction of nondefense construction were not adopted.

DEFENSE PROGRESS . . .

Our plans not big enough to assure Axis defeat "within several years," says May

Our production schedules and plans for shipment are not big enough to give "reasonable assurance" of defeating the Axis Powers "within the next several years," in the judgment of Stacy May, chief of the OPM Bureau of Research and Statistics. His opinion was delivered in a radio address October 9 over Station WQXR, New York. Excerpts follow:

When I was invited to speak on this program, it was suggested that I talk to you about the general status of the defense program, and that I compare it with the war effort being put forward in England. How are we progressing with this 60 billion dollar program of ours? Is the progress which we are making satisfactory?

The war that is being fought now is not the war of 1917-18. An effort must be judged in terms of the magnitude of the task to be performed. I believe that the stake at issue in this war is incomparably greater than that of the last. It concerns the chances for survival of the fundamental values upon which our civilization has been built. I am certain that the present war cannot be won through an effort of the size of our World War effort.

"Are we doing our share?"

We have not, up to the present time, committed ourselves to active participation in the war. We have committed our economic resources to the task of supplying the matériel necessary for the defeat of the Axis powers. We have pledged ourselves to supply necessary aid to Great Britain, to China, to Russia, to the Dutch East Indies, to Latin America. Whether or not our performance is satisfactory is to be judged by the answers to two questions: First, are we doing our share? Second, are we doing enough?

The first of these questions may be answered categorically: No. The evidence for this is overwhelming, when our production is compared with the combined productions of the United Kingdom and Canada. It is true that they are actively at war and we are not; that the United Kingdom at least is spurred by the hard and immediate necessity of fighting for survival. But all of the advantages of productive resources are ours

and our industries have not been disrupted by bombings.

We have almost two and one-half times the combined populations of the United Kingdom and Canada. Our national income is almost exactly two and one-half times theirs. Our resources in the raw materials essential to war production show a comparable advantage to us even after full allowance is made for what we are shipping to them. We long have taken pride in our genius for mass production. By no measure that I know of could our potential for military production be judged to be less than twice that of the combined potential of the United Kingdom and Canada, and I think that a ratio of two and one-half to one is a more nearly fair measurement of our advantage. Yet at the present time the United Kingdom, with Canada, is outstripping us in combined military, naval, and air production—outstripping us by a wide margin.

Question of physical production

I am not speaking here about production related to potential capacity. I am speaking of actual physical production of war matériel. Unless we substantially raise the schedules that have been developed under our current plans, we will not even catch up with their rate of production until the latter half of 1942, at which time we will have been embarked upon our defense effort for over two years.

There is no mystery as to why the showing of the United Kingdom and Canada should be so much better than ours. They are devoting, at the present time, something like 50 percent of all of their resources to the war effort—a proportion which I believe to be somewhere near the maximum that can be sustained with continued effectiveness. We currently are devoting about 15 percent of our resources to the defense effort, and upon present schedules we shall have raised this to only a little over 25 percent by the last quarter of 1942.

"Are we producing enough?"

Quite apart from the consideration of relative efforts is the second question phrased: "Are we producing enough?" I cannot give you a categorical answer to this question. I only can offer a judgment—the best judgment I can make

after examining a formidable amount of evidence.

"Enough" can only be interpreted as sufficient to assure the defeat of the Axis powers. "Evidence" is the weighing of the best estimates available of the stocks and production schedules of war matériel of those opposing the Axis powers against similar estimates of what the Axis powers can command and will be able to produce. It is obvious that in weighing this evidence attention must be given not only to relative strength but to relative strength at a given time. It is easy for a judgment to be wrong and I am very conscious of this when I offer, as my judgment, the conclusion that our production schedules and plans for shipments to those nations opposed to the Axis powers are not yet sufficiently large to give reasonable assurance that the Axis powers will be defeated within the next several years.

I think that this is the explanation for our national discontent with the defense program.

Recently I had the great good fortune to be sent to England to study British production. My last previous visit to England had been at the time of the Munich crisis and betrayal. At that time everyone I saw was unhappy and ashamed and emotionally taut and disturbed. This time I saw only one person who seemed to me to be lacking in emotional balance and adjustment.

Thinking in terms of ultimate victory

A second impression stands out strongly. Of the officials whom I met, military and civilian—and there were many of them—all were thinking in terms of what would be necessary for ultimate victory.

When I returned home, it seemed to me that there was far more psychological tension and discontent here than I saw in England. I think that this is because we do not have the same sense that they have of being committed completely to a responsibility that has been nationally accepted. It seems to me that we in America have made up our emotions without having thoroughly made up our minds. As each successive issue is put up to us, we debate it vigorously and divide sharply upon it, but when a decision is reached we shout an all but unanimous "Hurrah!"

The hopeful side of the picture is that we have the necessary potential to assure victory. All that we need is the will to mobilize it. If my judgment is right, that an all-out production effort would

assure victory within two or three years at most, surely that is not too great an effort to make.

The doubling of our production schedules for 1942 would represent only a commensurate effort on our part to that which is being put forth and will be put forth by England and by Canada.

Not easy of achievement

Let no one think that such a program is easy of achievement. We have reached a stage even now where our supply of a number of raw materials is insufficient to meet both our present schedules of military supplies and production of consumers goods upon anything like the levels of the recent past. No nation on earth has ever or, I think, will ever be able to divert half of its national income to war production without a drastic diversion of materials, of manpower, and of manufacturing facilities from civilian to military use. We cannot reach such a level without drastic diversions. Let me give concrete illustration of what may be required of us. During the coming year, Great Britain will produce 400 automobiles a month—100 a week—for nonmilitary use. Virtually all of these will be exported in order to obtain certain supplies of which Great Britain is in great need. In the model year just ended, we produced not 100 automobiles per week but 100 thousand, and our present program for the coming year is to cut this in two—down to 50 thousand per week. Fifty thousand a week for us, against 100 a week for them. But this comparison is not fair. In 1938 we produced five and one-half times as many automobiles as Great Britain and in 1939, after her curtailment had started, almost nine times as many. Let us allow ourselves some margin for luxury and say that a fair comparison would allow us a production of ten times the British quota. Ten times 100 a week is 1,000 a week as against the 50 thousand we plan.

I do not mean to single out automobiles except as illustrative of a point. The same sort of case could be made for the construction of housing and office buildings, for iceboxes, for business machines, printing presses, electric toasters, and the whole range of consumers and civilian durable goods. I think the American people will suffer these curtailments willingly, and even with genuine satisfaction, when they are convinced that such sacrifices will assure victory within a few short years; when they are convinced that to do less may mean the prolonging of our own effort and the world's agony indefinitely, year on weary year.

New construction in 1942 expected to decline one-fourth from 1941 peak

Under the pressure of priorities and allocations which will divert the use of materials from nondefense to defense purposes, new construction in the United States and outlying possessions probably will recede in 1942 to approximately \$8,500,000,000. This estimate is based upon a comparison of civilian and military needs for next year made by economists of the Bureau of Research and Statistics, Office of Production Management.

The figure represents a decline of about one-fourth from the estimated \$11,200,000,000 in construction activity expected for the current year. The previous peak as measured by dollar value occurred in 1927, when the construction value rose to \$10,948,000,000. OPM economists point out that the probable construction activity for 1942 would be greater than the 1940 figure of \$6,850,000,000.

Defense to take 75 percent in 1942

The estimate for 1941 indicates that defense construction will account for approximately 44 percent of all building, whereas in 1942 the proportion of defense construction will rise to more than 75 percent. Defense work next year is expected to employ an average of 1,300,000 men throughout the year, with 1,500,000 or more at peak periods. The average is about 30 percent greater than the estimated average for 1941.

If the number of residential units constructed in 1942 drops by 200,000 next year, the decline in employment is estimated roughly at around 120,000 man-years, and, since the type of building affected probably will be the more expensive home construction, a tentative estimate of the amount by which dollar value will decline is placed between \$800,000,000 and \$1,000,000,000.

Industrial expansion for nondefense purposes also is expected to drop sharply. The possible decline is from \$500,000,000 in 1941 to \$100,000,000 in 1942. Public utility construction is expected to fall abruptly as maximum use is to be made of present facilities in many instances.

Farm construction may rise

Farm construction probably will not decline but may actually rise as it did in 1918, the survey indicates. Construction of highways may drop. Other public and miscellaneous construction is expected to decline, so that the volume of nondefense construction in 1942 may not exceed \$2,000,000,000.

This suggests an average employment on private construction of about 400,000. If about 400,000 men are working on maintenance, repair, and remodeling, the total employed in nondefense construction would add up to approximately 800,000, a drop of more than half.

Average employment on construction work, including maintenance, repair and remodeling for both defense and non-defense, would be about 2,100,000 in 1942 according to these estimates. This would represent a decline of 22 percent from the average employment on construction of 2,700,000 estimated for 1941.

Shifts in employment

This study indicates that construction workers in many communities will be very hard hit, although those in other localities will benefit by the shift in activity. Building workers, it is pointed out, as a rule are more mobile than industrial or commercial employees. It is also pointed out that construction employment is greater than at any time since 1930, and that a decline in 1942 would be from a peak. It is also noted that there will be a large and growing demand for workers in shipbuilding in 1942, so that the employment opportunities for construction workers will be better than at any time since 1930. The OPM study estimates that private construction will continue at a high level for the remainder of 1941.

ESTIMATED NEW CONSTRUCTION

Continental United States, Calendar Years 1940 and 1941

	1940 (mil- lions)	1941 esti- mated (mil- lions)	Per- cent- age in- crease
Total new construction.....	\$6,850	\$11,000	60.6
Total private.....	4,183	5,000	19.5
Residential building (nonfarm).....	2,085	2,500	19.9
Nonresidential build- ing:			
Industrial.....	445	500	12.4
All other.....	540	550	1.9
Farm (all types).....	468	525	12.2
Public utility.....	645	925	43.4
Total public.....	2,667	6,000	125.0
Highway.....	900	1,600	11.1
Residential building:			
Defense.....	7	375	5,257.1
Other public	200	175	-12.5
Nonresidential build- ing:			
Industrial.....	110	1,700	1,445.5
All other.....	375	350	-6.7
Military and naval.....	475	1,750	268.4
All other public.....	600	650	8.3

Source: Bureau of Research and Statistics of OPM and of Department of Commerce.

CONTRACT DISTRIBUTION . . .

Evansville, Ind., with 3,000 unemployed, recommended for defense contract aid

The Office of Production Management has certified to the War Department that Evansville, Ind., faces severe unemployment because of material shortages for nondefense work and should be given special consideration in the placing of defense contracts and subcontracts.

This action was taken under the procurement policies worked out recently by OPM and the armed services to increase defense production and prevent dislocations, wherever practicable, by spreading armament orders into plants whose non-defense production must be curtailed.

An investigation by OPM's Labor Division established that Evansville is threatened with serious "priorities unemployment" and an investigation by OPM's Contract Distribution Division resulted in a remedial program which was submitted to the War Department.

3,000 unemployed

The Evansville community has a population of 110,000 persons dependent on employment in the durable consumer goods industries, especially the manufacture of refrigerators and automobiles. There are approximately 21,000 industrial workers in the Evansville labor market, of whom 3,000 are now unemployed.

Of the 18,000 employed industrial wage earners in the community, the Labor Division found at least half in plants which have been affected or will be affected by required curtailment of nondefense production or shortages of material for nondefense work. Currently the amount of employment on defense work in the community is negligible.

427 on defense work

Twenty-two plants were investigated by the Labor Division in Evansville. In July 1941 they had an aggregate employment of 10,953 wage earners, of whom only 239 were engaged on defense contracts. Largely as a result of priorities giving defense needs first call on scarce materials, employment in these concerns dropped to 9,766 wage earners by September, with 427 on defense work, a net displacement of nearly 1,200.

The companies estimated that, as a result of curtailment of their civilian

production, they would provide employment for only 7,815 wage earners in January 1942. This would represent a direct displacement of over 3,000 wage earners, not including salaried employees. If salaried workers and indirect "priority unemployment" in trade and service industries are taken into considera-

NEW FIELD OFFICES

Field offices of the Contract Distribution Division of OPM have been opened in five additional cities to help qualified manufacturers, especially small manufacturers and those threatened with curtailment because of priorities or material shortages, obtain defense work.

These offices and their addresses are as follows:

Albany, N. Y.—75 State Street, State Bank Building.
Portland, Maine.—Room 501-502, 443 Congress Street.
Rochester, N. Y.—Chamber of Commerce Building, 55 St. Paul Street.
Spokane, Wash.—629-630 Old National Bank Building.
Springfield, Mass.—95 State Street.

This brings the number of Contract Distribution field offices to 48. Additional offices in other industrial centers will be established as rapidly as possible.

tion, the number displaced might exceed 5,000 workers by January 1942 unless additional defense work is placed in the community.

4 companies must let 2,300 go

Four of the larger concerns account for 2,300 of the employees displaced or threatened with displacement by January 1942 on the basis of current material allocations. These companies are Servel, Inc., and Sunbeam Electric Manufacturing Co., makers of refrigerators; Briggs Industrial Corporation, makers of automobile bodies; and the Chrysler Corporation.

The Contract Distribution Division reported that the community's entire problem cannot be solved in these four companies because many of their machines or groups of machines cannot be used on defense production without disrupting

employment on curtailed nondefense production lines.

Some defense bids successful

Remedial programs recommended for these and other affected companies in Evansville are, briefly, as follows:

SERVEL, INC.: This company has made successful bids on cartridge cases, gun turrets, listening posts, and fan assemblies; unsuccessful bids on a number of other items, and has bids outstanding on other defense work. Careful attention should be given by the War Department to the possibility of contract awards covering any of these items. Also, since new buildings being equipped to manufacture cartridge cases have a much greater capacity than is being used for present orders, attention should be given to increasing the amounts of the present contract. Further, emphasis should be given to the study of the McArthur airplane seat and the Lawrence engine, currently being considered on a subcontract basis.

BRIGGS INDUSTRIAL CORPORATION AND CHRYSLER CORPORATION: Respective operating heads of these two concerns at Detroit, Mich., should exert every effort to inject work into their Evansville plants rather than extending manufacturing activities in the Detroit area.

Booster contract awarded

SUNBEAM ELECTRIC MANUFACTURING Co.: Successful bids have been made and contracts awarded for M-20 Booster and Booster Pump, and subcontracts were arranged in September for work on oxygen air regulators, elevating jacks, gun turret assemblies, and other items. Unsuccessful bids have been made on a number of others. The company is studying the possibility of producing McArthur airplane seats and the Lawrence engine under subcontracts. It is recommended that the War Department consider the propriety of awarding contracts for the production of M-20, M-21, and M-22 Booster, or parts; that a recent successful subcontracting connection should be closely followed up to increase subcontracted amounts; that all possible assistance be given in considering this firm for subcontract production of the McArthur airplane seat and the Lawrence engine.

Aid for other concerns

To provide assistance for other affected companies, including the Hercules

Body Co., Inc., George Koch Sons, Standard Industrial Products, Inc., Evansville Metal Bed Co., Inc., Red Spot Paint & Varnish Co., Karges Furniture Co., North Star Furniture Corporation, Peter Healy Brass Foundry Co., Globe-Bosse World Furniture Corporation, George L. Mesher & Co. and National Furniture Co., the OPM outlined the following plan:

1. Any request received by the Contract Distribution Division from prime contractors or Government procurement officers for facilities such as this group operates will be referred to the companies.

2. It is suggested that branches and services of the War Department review current and near requirements, apparently due for recurrence in quantity, with a view to providing suitable defense work where practicable.

3. The Contract Distribution Division will submit to the secretary of the Evansville Manufacturers and Employers Association any inquiries in regard to defense work of either a prime or subcontract nature that might be handled on existing equipment in the community. A representative of the St. Louis office of the Contract Distribution Division will work closely with the secretary of the Evansville Manufacturers and Employers Association.

Several firms omitted

Several companies mentioned in the report of the Labor Division were omitted from the remedial program recommended by the Contract Distribution Division at this time on the ground that the effect of priorities on them is now believed to be negligible or for the reason that current defense awards and expected awards will prevent dislocation with the firms.

They are the Hoosier Lamp and Stamping Corporation, Faultless Caster Corporation, International Steel Co., the Advance Stove Works, Farm Tools, Inc., the Imperial Desk Co., and the Never Split Seat Co.

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WATER FOR POWER DEPLETED

In a special bulletin summarizing the effects of the drought in the Eastern States, the Geological Survey, United States Department of the Interior, reported October 4 that stream flow in these areas is receding toward the lowest of record and that storage for power is badly depleted.

Entire household washer, ironer industry certified for special defense contracts

Moving to harness facilities of the household washer and ironer industry to defense production and thus alleviate unemployment from the impending curtailment of nondefense production, the Office of Production Management certified the industry to the War Department October 10 for special treatment.

It was the first industry-wide certification under the procurement policies worked out recently by the OPM and the armed services to increase defense production and prevent dislocations, wherever practicable, by spreading armament orders into plants whose non-defense production must be curtailed.

34 companies included

Previous certifications have covered communities rather than entire industries.

Thirty-four companies in many different States are included in the remedial program recommended to the War Department.

The case was certified by the OPM on recommendation of Floyd B. Odum, Director of the Contract Distribution Division, after complete investigation by this Division. Representatives of the Labor Division joined in the investigation, surveying the employment situation.

Can produce 17 defense items

The certification stated that the industry is capable of producing 17 different defense items, ranging from anti-aircraft machine gun mounts to bomb fin assemblies, and that an order for a sizable quantity of one of these items would absorb the bulk of the unemployment in prospect at this time.

The Nineteen Hundred Corporation, St. Joseph, Mich.; the Apex Electrical Manufacturing Co., Cleveland, Ohio, and the Easy Washing Machine Corporation, Syracuse, N. Y., were certified as being capable of serving as prime contractors. The industry has indicated its agreement to their serving in such a capacity on any awards made by the War Department as a result of the certification, and it is contemplated that these three firms will grant other units of the industry subcontracts in accordance with the amount of unemployment they face.

It was estimated that there would be 632,000 man hours of unemployment in

the industry per month unless it received defense orders.

Names of firms

The other companies covered by the certification include:

Altofer Bros. Co., Peoria, Ill.; American Ironing Mach. Co., Algonquin, Ill.; Appliance Manufacturing Co., Alliance, Ohio; Armstrong Mfg. Co., Huntington, W. Va.; Automatic Washer Co., Newton, Iowa; Barlow Seelig Mfg. Co., Ripon, Wis.; Barton Corporation, West Bend, Wis.; Beam Manufacturing Co., Webster City, Iowa; Bendix Home Apl. Co., South Bend, Ind.; Birtman Electric Co., Chicago, Ill.; Blackstone Washer Co., Jamestown, N. Y.; Bluffton Manufacturing Co., Jamestown, N. Y.; Chamberlain Corporation, Waterloo, Iowa; Conlon Co., Cicero, Ill.; Dexter Co., Fairfield, Iowa; General Electric Co., Bridgeport, Conn.; Holland-Rieger Co., Sandusky, Ohio; Horton Manufacturing Co., Fort Wayne, Ind.; Hurley Washer Co., Cicero, Ill.; Ironrite Co., Detroit, Mich.; Landers, Frary, Clark Co., New Britain, Conn.; Lovell Manufacturing Co., Erie, Pa.; Maytag Co., Newton, Iowa; Mullins Mfg. Co., Salem, Ohio; Meadows Corporation, Bloomington, Ill.; Norge Corporation, Detroit, Mich.; One Minute Washer Co., Kellogg, Iowa; Victor Electric Mfg. Co., Cincinnati, Ohio; Voss Bros. Manufacturing Co., Davenport, Iowa; Westinghouse Electric & Mfg. Co., Mansfield, Ohio; Zenith Machine Co., Duluth, Minn.

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Shortages of workers found in 126 defense occupations

Federal Security Administrator Paul V. McNutt announced October 3 that 126 defense occupations in which there are already shortages of workers are concentrated in the aircraft, shipbuilding, and machine shop trades. According to the Social Security Board's analysis of expected demand for workers in these occupations, the greatest deficits, by November 1, will be among detail and final assemblers, riveters, and sheet-metal workers in aircraft manufacturing; carpenters, electricians, loftsmen, marine machinists and shipfitters in shipbuilding; floor assemblers, inspectors, boring-mill operators, diemakers, engine-lathe operators, all-around machinists and bench machinists in machine shops.

An additional 38 occupations in which the available supply of workers is ample to meet current demand but not enough to meet anticipated demands by November 1 are concentrated mostly in the metal working trades. They include such occupations as forming-press operator, power-shear operator, drop-hammer operator, and bench molder. Heaviest demand is reported for sheet-metal workers and single-spindle drill-press operators.

PRIORITIES . . .

Iron and steel scrap put under full priority control to save mills from shutdown

Facing a situation that threatened to shut down or curtail the operations of steel mills working at full capacity on defense orders, Priorities Director Nelson, in an order signed October 9 and effective October 11, placed iron and steel scrap under full priority control.

This order, designed to relieve serious day-to-day shortages, authorizes the Director of Priorities to issue specific directions for deliveries of scrap.

The order further provides that producers, dealers and brokers, and consumers of iron and steel scrap shall make monthly reports to the Priorities Division. Beginning November 15, 1941, producers will be required to report scrap inventories, production, and sales; brokers will show inventories, purchase, and sales; consumers must indicate inven-

tories, production, receipts, and consumption of scrap metal. It is expected that, on the basis of these reports, a general policy for the distribution of scrap under mandatory orders, will be developed.

Scrap is defined in the order as "all ferrous materials, either alloyed or unalloyed, of which iron or steel is a principal component, which are the waste of industrial fabrication, or objects that have been discarded on account of obsolescence, failure, or other reason."

The order emphasizes that the provisions of Priorities Regulation No. 1 apply to ferrous scrap. These provisions include prohibition of excess inventory, and stipulate that intracompany deliveries are subject to the same requirements as intercompany deliveries.

12 classes of health supplies added to those for which makers may use rating

Twelve important additions have been made to the list of health supplies for the manufacture of which an A-10 preference rating is available, it was announced October 7 by Priorities Director Nelson.

The original list, issued with the announcement of the Health Supplies Rating Plan, on August 25, 1941, contained 14 classifications. Several of these have been extended to include more items, in addition to the new classifications set up in the amendment issued October 7 to Preference Rating Order P-29.

25 classes now covered

The complete health supplies list, which now covers 25 classifications for medical, surgical, dental, and veterinarian use, follows. Those classifications marked with an asterisk are new, and those items italicized are extension of classifications set up in the original list.

- 1, Acoustical aids*; 2, Anaesthesia apparatus and supplies; 3, Atomizers* (medical use only); 4, Biologicals, anti-toxins, serum, *sterile ampoules and intravenous solutions*; 5, Clinical thermometers; 6, Diagnostic equipment and supplies; 7, Hospital carts, racks and charts*; 8, Hypodermic syringes and needles; 9, Infant incubators*; 10, Instruments; 11, Invalid chairs, walkers and crutches*; 12, Laboratory equipment and supplies; 13, Medicinal chemicals (limited to medical use only); 14, Operating room supplies and equipment; 15, Ophthalmic products and instruments*; 16, Physical therapy equipment* (limited to medical use only); 17, Respirators, resuscitators and iron lungs*; 18, Rubber hospital sundries; 19, Sick room furniture, equipment and supplies*; 20, Splints and fracture equipment*; 21, Sterilizers, *blanket and solution warmers*; 22, Surgical dressings and adhesive plasters; 23, Surgical and orthopaedic appliances* (including artificial limbs and arms); 24, Sutures and suture needles*; 25, X-Ray equipment and supplies.

Should make written application

A manufacturer of any of these items wishing to avail himself of the assistance offered by this plan should make written application to the Health Supplies Section, Office of Production Management, Washington, D. C., for Form PD-79, "Report of Requirements for Scarce Materials," and at the same time file a complete catalog showing as nearly as possible all the finished articles he manufactures.

Compliance check-up of aluminum foundries begun by Wage and Hour inspectors

Inspectors of the Department of Labor's Wage and Hour Division began October 8 a Nation-wide, plant-by-plant survey of hundreds of aluminum foundries to check on compliance with priorities orders and regulations. The check-up is being made at the request of Priorities Director Nelson.

The technique used in the usual Wage and Hour inspections is similar to that being employed in checking up on facts and figures in the aluminum situation, and Mr. Nelson, therefore, decided to ask the Wage and Hour Division to assign its trained body of inspectors to the job.

Preparations for the survey have been under way for the last 2 weeks. During that time Brig. Gen. Philip B. Fleming, administrator of the Wage and Hour Division, has conferred with most of his regional directors, and a uniform inspection technique has been developed in collaboration with officials of the OPM.

Special forms have been prepared on which the reports will be made, and each inspection will be in accordance with standardized procedure.

At the same time the check is made for the OPM, the Wage and Hour inspector, for purposes of economy, will also make a routine Wage and Hour inspection of the plant visited.

The work of the Wage and Hour inspectors for the Priorities Division will be confined to the assembly of factual data.

Some violations indicated

Information in the hands of the Priorities Division indicates that a number of violations have occurred. In some cases it is indicated that certain manufacturers have used preference ratings to obtain critical materials which were subsequently used for nondefense purposes. In other cases preference ratings have been used to get material for inventory piling in violation of priorities regulations which state that excess inventories shall not be maintained.

The inspections now being made should bring to light any such cases.

It is believed that the number of willful violators is relatively small. Because of the critical shortages which exist, however, such violations may make it more difficult for a defense manufacturer to obtain a sufficient quantity of a given material for defense production.

Any compliance and enforcement activities based on facts gathered in the survey will, of course, be handled directly by the compliance officers of the Priorities Division.

PRODUCTION . . .

Knudsen asks machine tool builders to work critical tools 7 days a week

Director General Knudsen, OPM, asked on October 8 that builders of machine tools work their critical tools seven days a week. In a letter to Frederick V. Geier, president of the National Machine Tool Builders Association, he also urged more man-hours on night shifts wherever possible, and development of subcontracting. Text of the letter follows:

I trust that you will bring to your convention my most sincere greetings with my appreciation of the splendid service given by your organization to the national defense program.

Many are the problems connected with the tooling up part of our program which is growing almost daily and the final extent of which is difficult to estimate.

In my conference with your committee last week it developed that the large tools are the most critical and I, therefore, ask

that your organization make a further contribution to the program by:

- a. Working critical tools seven days a week;
- b. Increasing wherever possible the man-hours on night shifts;
- c. Developing subcontracting to the greatest possible extent.

I realize that on critical tools the addition of a relatively small quantity of these would materially help to balance and increase the general output of all tools, and assure you that OPM will make every effort to secure any idle tools which may be available in nondefense industries.

The demand for tools in the program is going to be greater and greater as the program expands; it is of the utmost urgency and importance that you appeal to all your members to help us and go "all out" for defense.

Knudsen recommends \$7,000,000 dam project in Ohio steel center

Construction of the \$7,000,000 Berlin Dam on the Mahoning River 10 miles northeast of Alliance, Ohio, was recommended to the War Department October 8 by the Office of Production Management.

OPM Director General William S. Knudsen recommended the project in a letter to Robert P. Patterson, Acting Secretary of War, transmitting a report prepared by W. A. Hauck, steel consultant.

The Mahoning valley, which extends approximately 30 miles through Youngstown, Ohio, to the Pennsylvania line, is the third largest steel center in the United States, the report says.

The eight companies whose plants line the valley represent 10 percent of the Nation's steel capacity.

Constant losses in production due to lack of water have been reported to the OPM, the report says, and no other sources are available. The dam would assure a steady supply of 165,000,000 gallons a day for these plants, which would allow steel production in the valley to go forward without delay, according to the report.

It is understood action on construction could be started immediately upon War Department approval.

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Auto-junking campaign extended to eighteenth State

A campaign to increase the junking of worn-out automobiles and thus provide additional scrap iron and steel needed urgently for defense production was extended last week to Indiana, OPM has announced.

At a meeting in Indianapolis October 10, Government officials appealed to Indiana automobile wreckers and scrap dealers to strip derelict cars now in their yards of salable parts and scrap the bodies and engine blocks immediately.

Indiana was the eighteenth State included in the campaign. OPM officials engaged in the effort report that the scrapping of old cars from auto "graveyards" has increased in these States by 40 to more than 100 percent since the campaign began.

Repair of inactive blast furnace at Chester, Pa., recommended

Rehabilitation of a blast furnace at Chester, Pa., which has been out of production for the past 12 years was recommended October 8 by the Office of Production Management.

The project report was prepared by W. A. Hauck, steel consultant, and forwarded by Director General Knudsen to Jesse Jones, chairman of the RFC, for final action.

The Pittsburgh Coke & Iron Co. proposes to operate the furnace under a lease arrangement and has the necessary facilities to supply it with coke and ore, according to the report. It is estimated the furnace will produce from 120,000 to 144,000 tons of pig iron yearly and production can be started within 4 to 6 months after approval is given.

The report points out there is an acute shortage of pig iron in the eastern Pennsylvania district and that pig now is being shipped there from other producing areas.

The Chester furnace is one of the few in the country remaining inactive, the report says. As the plant is located at tidewater, its production can be exported conveniently. The plant formerly was owned by the Delaware River Steel Co.

Extended amendment aids molded radio cabinetmakers

Manufacturers of molded radio cabinets will continue to benefit, during October, by the terms of Amendment No. 1 to General Preference Order M-25, which a second amendment issued October 8 by Donald M. Nelson, Director of Priorities, extends through the current month. The amendment has to do with the use of synthetic resins molding powder by manufacturers of molded radio cabinets.

The original order provided among other regulations governing distribution that deliveries of synthetic resins for button making receive a preference rating of B-8. Amendment No. 2, in addition to the radio cabinet extension, splits the button category into two, and extends a B-4 rating to deliveries of resins to the manufacturers of "utilitarian, non-decorative" garment buttons.

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COULEE GENERATOR AT WORK

At Grand Coulee Dam in the State of Washington, the world's largest turbine generator started humming on October 4 to produce electricity available for national defense factories.

LABOR . . .

Letter to Fair Employment Committee enough to start discrimination inquiry

A letter from any job seeker who has been denied a job in a defense industry because of his race, creed, color, or national origin is enough to initiate an investigation by the President's Committee on Fair Employment Practice, it was explained October 8 by Lawrence W. Cramer, executive secretary, in answer to numerous inquiries which have come to the committee.

Any person who has reason to believe that his race, creed, color, or national origin has prevented his obtaining a position or promotion in the Federal civil service may also submit his complaint in the same way.

This simple method of filing complaints was decided upon by the committee, Mr. Cramer explained, in order that the least job seeker, or the unemployed, might find no difficulty in having grievances redressed in keeping with the President's Executive order of June 25, which set up the committee as one step in reaffirming the policy of the United States "that there shall be no discrimination in the employment of workers in defense industries or Government because of race, creed, color, or national origin."

It is not necessary for an aggrieved worker to have a lawyer draw up any formal papers, it is explained, but it is necessary that the complaint furnish adequate information to permit the committee to act, and as the investigation proceeds it may be necessary to have the complainant submit a notarized copy of his charges. But to get an investigation started by the committee, only a clear, fact-giving letter is required.

The fact-giving letter, according to Mr. Cramer, should tell the following:

1. The name of the firm, agency, school, or union against which the complaint is made, and its location (street, city, and State);
2. Whether the discrimination alleged is because of (a) race, (b) creed, (c) color, or (d) national origin;
3. The race, religion, or national origin of the person making the complaint;
4. The type of job, position or classification for which application is made;
5. The qualifications of the complainant for the job he seeks (including his education and work history, and his civil service status, if he has passed a civil service examination);

6. Date when complainant applied for the job which he was denied;

7. Date when he was refused employment or admittance to a training course;

8. Name of person refusing position (if available);

9. Reason given for refusal;

10. Statement of additional facts and circumstances indicating discrimination was on account of race, religion, or national origin;

11. Names and addresses of any witnesses to facts and circumstances indicating discrimination;

12. Name and address of person alleging discrimination.

The complaint should be mailed to

the President's Committee on Fair Employment Practice, Social Security Building, Washington, D. C.

After a complaint has been received, the President's Committee on Fair Employment Practice utilizes the staffs of the Negro Employment and Training Branch and of the Minority Groups Branch of the OPM for making primary investigations, but maintains its own field and office staff in the Social Security Building, Washington, D. C., for special investigations and office work.

If primary investigations and contacts show that a firm, Government agency, defense training school, or union, has actually practiced the discrimination charged, and if primary contacts fail to remedy the situation, then the committee moves to other steps, which may include a public hearing, notification of other Government agencies or the making of representations to the President.

Quick reporting on priority unemployment provided by new form sent to 1,500 offices

A new system of reporting, to check quickly on all serious cases of priorities unemployment, was set up October 8 by the OPM Labor Division and the United States Employment Service.

The 1,500 public employment offices of the Federal-State Employment Service system have been directed to make immediate reports of lay-offs or shortening of average weekly hours of work, caused by shortages of materials or parts or because of a Government curtailment order. A separate report will be made for each plant so affected.

New form sent out

Copies of a new report form, called "ES-223," have been sent to all the local employment offices, with instructions for prompt handling.

Each report made will be sent to the Washington office of the United States Employment Service for the information of the OPM Labor Division, with copies to the OPM Regional Labor Supply Committee, the nearest office of the OPM Division of Contract Distribution, and the State Employment Service headquarters.

Where the reports indicate the possibility of serious unemployment in the community, more detailed surveys will be made as the basis of possible certifica-

tion of the affected community for special preference in the awarding of defense contracts and subcontracts.

The Labor Division has already requested such special surveys in more than 30 communities, and a dozen communities have been certified to the OPM Division of Contract Distribution for special attention in defense work awards. These 12 communities are in Wisconsin, Iowa, Michigan, Ohio, Georgia, Indiana, and Pennsylvania.

50 unemployed enough for report

Report form "ES-223" is to be filled out and sent in by local employment offices, whenever either of the two following situations has arisen because of shortages of material or parts or because of a Government curtailment order.

(1) A total of 50 or more workers are scheduled for lay-off or have been laid off (and not rehired or replaced) during the preceding 3 months.

(2) The average weekly hours of work of 200 or more workers are scheduled to be reduced 10 hours or more, or have been reduced that amount (and not restored) during the preceding 3 months.

Subsequent reports on the same form are to be made for any establishment if further curtailments are made in workers or workweeks.

MEDIATION BOARD . . .

3,200 Calco Chemical employees return to work pending hearing; avert rubber shutdown

The National Defense Mediation Board last week (October 6-12) made recommendations in two cases; appointed a special representative in a third; obtained a back-to-work agreement pending the Board's consideration of a fourth case; and received certification of four new cases.

Air Associates, Inc.

After 3 days of hearings, the Board, on October 9, issued recommendations in the dispute between the Air Associates, Inc., and the United Automobile Workers, CIO, of Bendix, N. J., calling for: (1) An immediate return to work of all strikers; (2) Immediate reemployment of all strikers without discrimination; and (3) resumption of negotiations before the Board. In its recommendations the Board said:

In issuing these recommendations, the Board urgently calls to the attention of the parties the vital importance to the national defense effort of harmonious relations between the company and the union, which is the exclusive bargaining agency certified by the National Labor Relations Board. On the basis of the entire record in this case, the Board feels obliged to observe that this company has not exhibited toward either this certified union or the National Defense Mediation Board that attitude of cooperation to which the public is entitled on the part of a company whose operations are essential to the defense of the Nation.

Two days later, F. Leroy Hill, company president, wired the Board rejecting the recommendations and stating in effect that the company would not displace the employees it had hired to take the place of those who went on strike September 30.

This case was originally certified to the Board on July 17 and during that month hearings were held, ending in recommendations that the strike at the plant, which had been called July 14, be called off and all employees returned to work without discrimination. This was done July 29 and negotiations were begun for a collective bargaining contract. These negotiations, however, broke down and, in accordance with the Board's recommendations, a special representative of the Board, Prof. Harry Shulman of Yale University, opened an investigation of all points still in dispute. On September 30 another strike was called by the union which charged that the company had refused to bargain with it on grievances and was moving machinery out of the plant.

The Board then wired both parties that hearings would be reconvened on October 6. On the afternoon of October 8, both the president of the company and its counsel refused to remain in Washington for further hearings, the first time that representatives of either party had walked out on the Board in the middle of its mediation efforts. The panel in the case, composed of Frank Graham, Cy Ching, and Hugh Lyons, then made recommendations for ending the strike. The company employs approximately 600 employees making parts for military aircraft.

Lincoln Mills

On Friday, October 10, Lincoln Mills of Alabama, Huntsville, Ala., accepted the Board's recommendations of August 7 and agreed with the Textile Workers Union, CIO,

to resume production Monday, October 13. This agreement ended a lock-out which had halted production since September 26 and involved 1,800 employees making cotton duck for the Army and Navy.

The Board panel which heard the case, Walter Fisher, C. E. Adams, and Hugh Lyons, had recommended on August 7 that a special representative of the Board investigate the wage issue and that the union security issue be resolved by the company inserting in its contract a provision for company deduction of union dues and maintenance of union membership for the life of the contract. A process was suggested whereby individuals might withdraw from the union for "legitimate reasons."

Although the company refused to accept this recommendation, the Board appointed Francis Goodell a special representative to investigate the wages, and on September 7 hearings were reopened at which the company agreed to wage increases but still refused to accept the union security recommendation. The acceptance of this recommendation last week closed the case.

American Cyanamid Co.

A strike at the Calco Chemical Division of the American Cyanamid Co. of Boundbrook, N. J., called on September 29 by the Chemical Workers Union, AFL, was ended at the request of the Board and the men returned to work October 13. The case had been certified to the Board on October 7 and the issues are wages, freezing of union membership, and grievances. The company employs 3,200 workers making chemicals vital to the manufacture of rubber. The necessity of these chemicals to the rubber industry caused both the presidents of the Goodyear Tire and Rubber Co. and the B. F. Goodrich Co. of Akron, Ohio, to wire the Board that a continuation of the strike for another week would shut down the entire rubber industry. W. H. Davis, chairman of the Board, at once sent telegrams to both parties asking that the strike be called off. Copies of the wire were also sent to President William Green and Secretary-Treasurer George Meany of the American Federation of Labor at its convention in Seattle, Wash. President Green appealed to the striking employees to return to work which they agreed to do at a meeting October 11. The case is scheduled to come in for a hearing on October 20.

Chicago Meat Packers

Three meat packing companies of Chicago, the P. Brennan Co., the Illinois Meat Packing Co., and the Agar Packing & Provision Co., and the Packinghouse Workers Organizing Committee, CIO, came in for hearings before the Board on October 8 over a dispute involving the reinstatement of 17 union leaders which had caused a strike at the plants since August 28. The strike, which started at the Illinois Meat Packing Co., had not been authorized by the international officers of the union although the two other plants went out in sympathy. The international union officers ordered the men back to work, and upon their return, 17 leaders of the three locals involved were dismissed by the companies on the grounds that participation in "illegal" strike was cause for the action. This immediately precipitated another strike which Mayor Kelly of Chicago attempted to end by mediation. His efforts and those of the U. S. Conciliation Service failed to end the strike, and on October 1 the case was certified to the Board. A panel composed of Walter T.

Fisher, Cy Ching, and John Brophy, after 3 days of hearings, issued recommendations that the strike be called off at once and the cases of men in dispute be submitted to arbitration under the existing contract. If the parties fail to agree upon an impartial chairman of the board of arbitration within 5 days, the Mayor of Chicago was to select an arbitrator.

These recommendations were accepted by the union and the men returned to work October 13, agreeing to abide by the decisions of the arbitrator to be chosen by Mayor Kelly.

There are 1,500 men employed by the three companies with orders from the QMC for canning and packing meat.

Bendix Aviation Corporation

In accordance with recommendations made by the Board on September 27 in the dispute between the Bendix Aviation Corporation, South Bend, Ind., and the United Automobile Workers, CIO, William Conover, assistant director of the Training-within-Industry Branch of the Labor Division, OPM, was appointed last week as special representative of the Board to advise and consult on the training and upgrading program at the plant and on related problems. He is to be in South Bend early in the week of October 13. Dr. George Taylor had already been appointed by the Board to act as arbitrator of the dispute over the replacement of men by women as bench inspectors, which was the cause of a threatened strike later postponed at the Board's request.

The hearings on the dispute between the captive mine operators and the United Mine Workers, CIO, reconvened October 7 for 3 days and were then recessed with no definite date for other hearings. The parties are on call for any further discussion of the issues.

The Board was notified October 11 that an agreement settling the dispute between the Consolidated Aircraft Corporation and the Aircraft Lodge No. 1125, AFL, had been reached by direct negotiations between the parties. Earlier in the month the union had rejected an agreement reached before the Board but had continued negotiations in San Diego, Calif., at the Board's request.

Shipowners

The Board's recommendations in the war bonus dispute between various shipping companies and the Seafarers' International Union and the Sailors' Union of the Pacific, both AFL, were accepted by both unions last week. The companies had previously agreed to the terms recommended by the Board for settling the issue that had tied up ships in 5 ports for 11 days. On Saturday, October 11, the Board was notified that two independent unions, not parties to the dispute originally certified to the Board—the Pacific Coast Marine Firemen, Oilers, Watertenders and Wipers' Association, and Marine Cooks and Stewards Association of the Pacific Coast—had agreed with the Pacific American Shipowners Association to accept the identical terms, thus extending further this stabilization agreement.

New cases

The companies and unions involved in the four disputes certified to the Board last week were: Alabama Dry Docks & Shipbuilding Co., Mobile, Ala., and Local 18 of the Industrial Union of Marine and Shipbuilding Workers, CIO; the Cleveland Graphite Bronze Co. of Cleveland, Ohio, and the Mechanics Educational Society of America; the Fairmont Aluminum Co., Fairmont, W. Va., and the Aluminum Workers of America, CIO; and the Calco Chemical Division of the American Cyanamid Co. Boundbrook, N. J., and the Chemical Workers Union, AFL. Hearings on the first three are scheduled for this week, and on the last for October 20.

PRICE ADMINISTRATION . . .

Advances in wood pulp prices may compel ceilings, Henderson warns

Advances of from \$4 to \$11.50 a ton in wood pulp contract prices quoted by several leading producers for fourth quarter delivery may compel the Office of Price Administration to impose a schedule of ceiling prices at or below third quarter levels, Administrator Henderson announced October 8.

Mr. Henderson disclosed that an industry-wide investigation of all factors relating to pulp producing costs is being conducted by the Federal Tariff Commission at the request of OPA. This study, which began around August 15, should be completed within a few weeks.

"Evidence at hand"

"Obviously," the administrator said, "I should prefer to wait for the Tariff Commission's findings before deciding whether action is necessary. However, there is ample evidence already at hand to show that the prices at which wood pulp has sold over the past 12 months have been more than adequate to most producers. To allow still higher prices when every effort must be made to resist inflation seems out of the question."

There are several major types of wood pulp—mechanically ground, sulphite (bleached and unbleached), sulphate (bleached and unbleached), and soda pulp. About 95 percent of all wood pulp consumed in the United States is used by the paper industry. Integrated paper companies are self-sufficient in respect to pulp supplies and many sell pulp under contract and in the open market to other paper mills. There are about 10 major companies which produce pulp exclusively for sale.

Container Corporation of America, Chicago; Eastern Corporation, Bangor, Maine; St. Regis Kraft Co., Tacoma, Wash. (a subsidiary of St. Regis Paper Co., New York); and West Virginia Pulp & Paper Co., New York, were named by Mr. Henderson as examples of four large integrated companies that have raised contract pulp prices. None of the companies making pulp exclusively for sale has announced higher prices so far as is known.

According to Mr. Henderson, Container Corporation has raised the price of its Conus brand pulp from \$60 to \$70

a ton; Eastern Corporation has increased Orono pulp from \$63.50 to \$75 a ton, and West Virginia Pulp & Paper is asking \$70 a ton for soda pulp, an advance of \$4 a ton. St. Regis Kraft is quoting a price of \$87.50 a ton for its Tacoma brand bleached kraft, an increase of \$5 a ton, for the month of October, stating that new prices for the remainder of the year will be determined later.

Representatives of these four concerns, as well as of other principal pulp companies, were invited to attend a meeting in Washington on October 10.

Mr. Henderson recalled that verbal agreements between his office and a number of leading pulp makers had served to avert price increases last spring, when imports from northern Europe were cut off. The understanding was that, in the absence of unusual circumstances, no advances would be made over the remainder of 1941.

No advance notice given

"Until recently, this voluntary control worked very well and no attempts to raise prices were made even by companies which had not been represented in the discussions," Mr. Henderson said. "The four companies that have now disturbed an otherwise stable price structure gave no advance notice to the Office of Price Administration, nor have they afforded buyers of their pulp any satisfactory reasons why higher prices are necessary."

"If permitted to go unchallenged, these increases would become general throughout the pulp industry, higher paper prices would follow, and the country would be pushed a little further along the road to inflation."

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Formal ceiling considered for new machine tools

Consideration is being given to the issuance of a formal schedule of maximum prices on new machine tools, OPA Administrator Henderson announced October 8.

In this connection, representatives of a cross section of the machine tool industry have been invited to a meeting in Washington on October 22.

Scrap dealer to refund charges beyond ceiling

One of the largest brokers and dealers in iron and steel scrap has agreed to refund to buyers all amounts collected in excess of the established ceiling prices in respect to every such sale made since September 2, as the result of action taken by the Office of Price Administration, Administrator Henderson announced October 9.

This represents the first direct step by Mr. Henderson under his policy to compel strict compliance with the scrap schedule by the use of "all necessary sanctions" at his command. Notice of this policy was given to a meeting of scrap brokers and dealers and representatives of steel mills and foundries on August 28. Rigid enforcement would begin as of September 2, the administrator told the gathering.

Evidence of violations by other members of the trade is in OPA's possession, Mr. Henderson said October 9, and action against these offenders is impending.

Because the broker-dealer involved in the present case has agreed to make full restitution, not to discriminate in scrap sales to customers, and hereafter to observe the schedule's requirements strictly, the Office of Price Administration is not releasing the name of the violator at this time.

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Premium added to ceiling on high-grade poncho cloth

The high quality demanded by the United States Marine Corps in cotton cloth used in making rubberized ponchos for troops is recognized in an amendment to the cotton grey goods price schedule announced October 5 by OPA Administrator Henderson.

The schedule has been amended so that a premium of ¾-cent a yard may be added to the ceiling price of 13½ cents a yard for 40-inch combed lawn, 96 by 100, meeting the specifications for Marine Corps poncho material. The premium is intended to cover the higher costs involved in making this grade of goods. Marine Corps requirements call for high tensile strength and complete absence of imperfections.

Zinc ceiling will be raised to increase supply

A price schedule establishing a maximum price of 8¼ cents per pound for "Prime Western" zinc f. o. b. East St. Louis and 9¼ cents delivered basis for "High Grade" zinc is now being prepared by the Office of Price Administration and will be issued shortly, Administrator Henderson announced October 10.

Present prices are 7¼ cents for "Prime Western" and 8¼ cents for "High Grade." These prices have prevailed under an informal understanding with zinc producers since October 1940. The new maximum prices, with appropriate differentials for other grades, can go into effect at once so far as the Office of Price Administration is concerned, Mr. Henderson stated.

Intensive study made

"This action represents a case where intensive study by the OPA staff has disclosed that a price increase is necessary to maintain and expand supply," the administrator said. "Zinc and its ores are produced under a variety of conditions and there were a number of factors underlying this action, including the utilization of lower grade ores and opening of new mines."

Maintenance of zinc concentrate production is necessary to insure continued full operation of smelters. Achievement of this goal will minimize the dislocation to civilian industries and the "priorities unemployment" resulting therefrom due to curtailed supplies of zinc for civilian use.

In the case of some products in which zinc is a component the increase in material cost will be small and can be absorbed by the producers without any price advances, said Mr. Henderson. In the case of products where zinc is a substantial element in the cost of production, any producers who feel that an increase in price is essential are requested to consult with the Office of Price Administration before taking any action.

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Milliman in charge of insecticides and fungicides

Thomas E. Milliman, whose appointment to the food section of the Office of Price Administration was announced recently, has also been placed in charge of work on insecticides and fungicides in the chemical section, according to Dr. J. K. Galbraith, director of operations.

Revised copper scrap schedule sets ceilings at shipping point

Extensive revision of the copper scrap schedule so as to place ceiling prices on a shipping point, instead of a delivered basis, allow quantity differentials to dealers, and establish premiums for "briquetting" and other special services was announced October 11 by OPA Administrator Henderson.

Effective date of the amendment is October 17, 1941.

The original schedule, which was issued August 19, set ceiling prices of 10¢ a pound for No. 1 copper wire and heavy copper, 9¢ a pound for No. 2 copper wire and mixed heavy copper, and 8¢ a pound for light copper. A uniform dealer's margin of ¾ cent a pound for collecting, sorting, storing, and shipping was allowed. These prices were the highest that could be charged for metal delivered to a buyer's plant or warehouse.

Premium for 40,000 pounds or more

As amended, the schedule establishes a single list of ceiling prices at 10¢ a pound for No. 1 wire and heavy copper, 9¢ for No. 2 wire and mixed heavy copper, and 8¢ for light copper at the point of shipment and permits the addition of transportation costs to the buyer's plant or warehouse. No special margin is stipulated for dealers' services.

However, excepting for scrap in "crucible shape," dealers may charge a premium of ½ cent per pound on shipments of 40,000 pounds or more at one time. If delivery is made by truck, a shipment made "at one time" may include all deliveries made to the buyer within a period of 48 consecutive hours. In the original schedule this quantity premium could not be charged by dealers, although it could be collected by makers of scrap.

Some buyers were at disadvantage

Decision to make the change from a delivered to a shipping point basis was reached by OPA after six weeks' investigation of the entire copper scrap situation. Conferences in Washington and in the field were held with representatives of refineries, ingot makers, brass mills and dealers. It was determined that while the delivered price basis was in line with prevailing trade practice, important buyers who had customarily absorbed freight charges when buying scrap in distant markets were placed at a disadvantage. The normal geographical distribution of scrap thus was threatened.

As revised, the schedule permits delivered sales with provision that the delivered price shall not exceed the shipping point ceiling, plus the lowest available freight charge.

Greater flexibility allowed

The ¾-cent margin in the first schedule was designed to protect dealer functions. Because of the complexity of these functions, however, it was determined after study that dealers would be able to operate with greater flexibility by setting shipping point prices, allowing quantity differentials, and the new premiums described below.

The amended schedule provides that in the case of No. 1 grade copper scrap sold in "crucible shape," that is, in the form of "briquettes," or in lengths not exceeding 16", cut or bundled, a premium of 1¼¢ a pound may be charged. However, no quantity premium may be collected on "crucible shape" scrap. This type of scrap is sold to foundries for use in crucibles and requires special preparation.

Upon application to OPA, according to the revised schedule, a special premium above the ceiling prices may be allowed in the case of copper wire scrap especially selected and prepared for use in the production of copper sulphate or other chemicals, copper powder, or by steel mills, iron foundries, aluminum smelters, etc.

Contracts may be completed

Copper scrap that is a by-product of the fabrication of copper sheet, tube, rod or other brass mill products is no longer covered in the copper scrap schedule, since maximum prices for this type of scrap are now fixed by Price Schedule No. 12—Brass Mill Scrap.

A special clause is included in the amended schedule allowing completion of outstanding contracts entered into while the former ceiling prices were in effect. A report giving the terms of all such contracts must be furnished to OPA prior to November 1, 1941. The provision whereby application may be made to OPA for permission to carry out contracts made prior to August 19 in cases where losses may result in the sale of inventory acquired before that date is retained in the revised schedule. Such applications, however, must be filed on or before October 19, 1941.

"Customary receiving point" in cotton yarn schedule doesn't mean seller's mill

The combed cotton yarn price schedule, now being revised to key maximum yarn prices to the price of raw cotton under the formula recently adopted by the Office of Price Administration, will make it perfectly clear that the ceiling prices apply to yarn delivered, freight prepaid, to the purchaser's point of business, Administrator Henderson announced October 9.

The clause in question presently reads as follows: "(b) The prices established by this schedule are prices for combed yarn delivered to *the purchaser's customary receiving point*, except that an extra charge may be made to the extent that the cost of transportation exceeds one cent a pound."

On the excuse that the "purchaser's customary receiving point" is the seller's mill, certain combed yarn manufacturers have been charging the maximum prices at their mills and requiring the pur-

chaser to pay, in addition, the freight to his plant.

This is not, and never has been, the intent of the schedule. Buyers who have been compelled thus to absorb freight charges are requested to report each such transaction to OPA, naming the seller.

By adopting language similar to that used in the carded yarn schedule, i. e., "The maximum prices . . . are prices for carded yarn *with freight prepaid to the purchaser's place of business* . . ." the revised combed yarn schedule will effectively stop this unjustifiable misinterpretation.

Mr. Henderson made it clear that sellers of combed yarn need not actually prepay freight, but may make "at the mill" sales, provided that the prices are sufficiently under the ceiling to enable the buyer to absorb freight charges up to one cent per pound and still obtain delivery at a total cost not exceeding the schedule's maximum prices.

Waste-paper dealers held to common-carrier rates

Waste-paper dealers who make deliveries to consuming mills in their own trucks and charge more than established common-carrier rates are violating the waste-paper price schedule, OPA Administrator Henderson stated October 10.

The schedule establishes maximum prices that may be charged at the point of shipment and provides that only proper transportation charges may be added. Proper charges, the administrator said, are the lowest for the type of carrier used. Therefore, shipments by dealers in their own trucks must be billed at not more than the published common or contract carrier rates.

Ceilings on final sales only

Mr. Henderson also pointed out that householders, office buildings, and other primary sources of waste paper cannot collect the ceiling prices. This also applies to the small collectors and dealers who dispose of their material to large dealers and packers. These intermediate sales must be made below the established maximums in order that final sales to consumers may be made at ceiling levels.

Manufacturers' prices for grocery bags stabilized

Manufacturers' prices for common brown paper grocery bags, most familiar of all packaging materials to the American housewife, have been stabilized for the time being by a series of voluntary understandings with leading producers, OPA Administrator Henderson announced October 10.

This arrangement is a temporary one designed to minimize price disturbance pending completion of a study by OPA of all phases of the paper bag industry. The price problem will be reconsidered in the light of information developed by this investigation.

The present voluntary understandings were reached with makers responsible for about 80 percent of the industry's total output. They provide that the prices which have prevailed for the past few months in all territory east of the Rocky Mountains shall not be increased without two weeks' advance notice to OPA.

Grocery bag prices are quoted by applying a succession of 5 percent discounts to uniform base prices for the various sizes. Current bag prices are figured on the basis of a total of 26 discounts of 5 percent (or 26/5's, in trade terms) for carload lots, with 10 percent added for less than carload lots.

Speculation in pepper futures drops; margin halved

Because excessive speculative activity in pepper futures on the New York Produce Exchange has ceased and prices for several months have reflected actual market conditions, the Office of Price Administration October 5 announced its approval of a proposal by the Exchange to reduce the pepper contract margin requirement from \$1,000 to \$500.

The high margin requirement was imposed by the Exchange late in May 1941 at the suggestion of OPA (then OPACS) after excessive speculative activity sent futures prices to unjustified levels. OPA officials declared at that time that supplies were ample and if actual pepper did not come into the market at reasonable prices, it would be necessary to impose a ceiling at well under the then prevailing levels.

With the raising of the margin, excessive speculation ceased, prices receded, and over the intervening months the pepper futures market has been orderly.

In proposing the margin reduction, Produce Exchange officials pointed out that a certain minimum volume of trading is necessary if the futures market is to be useful for hedging operations by importers and buyers of actual pepper.

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Field studies indicate no ground for rise in scrap-rubber prices

No justification exists for further increases in scrap-rubber prices, OPA Administrator Henderson stated October 5 after a conference with a representative group of wholesale dealers.

This conclusion was drawn from field studies by the OPA staff and was agreed to unanimously by dealers at the meeting. It was also agreed that in some cases prices may already be too high.

Since last spring prices of standard mixed tire scrap in the Akron area have moved up from \$14 to \$16 per ton and mixed tube scrap has moved up from 4¼ cents to 6½ cents per pound. Present prices are considered high enough to bring out all the scrap that can be handled in existing reclaiming plants or any additions to such plants now in prospect.

If advantage is taken of the defense situation to advance rubber scrap prices beyond their present levels, immediate action by OPA will follow, Mr. Henderson added.

News for Retailers

Textiles

Sellers and users of carded yarns who have been disturbed over the narrowing differential between combed and carded yarn prices should find that an appropriate relationship is reflected in the new price schedule announced by the Office of Price Administration for carded yarn.

The schedule went into effect on October 6 for carded yarn, base material for all of the more common grades of cotton fabrics, after conferences with a committee of carded yarn spinners drawn from the Cotton Textile Advisory Panel. Officials believe that use of the new formula, by which maximum prices for commercial carded cotton yarn are geared to the market price of "spot" raw cotton, will avoid disturbances in yarn trading due to changes in cotton prices.

Following is a brief review of price ceiling action taken by the OPA with regard to textiles:

Combed cotton yarn.—On May 26 a schedule became effective fixing ceiling prices for various grades of combed cotton yarn, used primarily in the manufacture of fine goods, underwear, hosiery, and other apparel requiring a high grade of yarn. The ceiling prices, while considerably lower than the inflated level reached in the previous weeks, were well above averages for recent years. Yarn to be exported was exempted. Ceilings were fixed at about 20 percent below those quoted in the industry at that time.

Cotton cloth (grey goods).—A schedule became effective June 30 establishing ceiling prices for six leading types of cotton cloth—print cloth, carded broadcloth, tobacco cloth, sheetings, part waste osnaburgs, and combed broadcloths. The price ceilings were generally about 15 percent below then current levels. On August 23 combed lawns, dimities, and voile were brought under ceiling prices.

A new grey goods formula was announced by Administrator Leon Henderson on September 19 after consultation by OPA officials with a subcommittee of the Cotton Textile Advisory Panel representing all branches of the grey goods trade. By this formula ceiling prices would be automatically adjusted in direct relationship to the market price of "spot" raw cotton.

Raw silk and silk waste.—The Office of Production Management froze all do-

mestic silk supplies on July 26 because of developments in the Far East. On August 4 the Office of Price Administration issued a schedule freezing prices at the levels which prevailed on July 21, before prices soared on reports that our supplies from Japan would be cut off. OPM then undertook a comprehensive inventory of all raw silk in the United States. This inventory disclosed comparatively small amounts of various grades not covered by the OPA ceiling and the ceiling was extended to bring them in.

Burlap.—A price ceiling on burlap approximately 20 percent below quotations on the New York spot market was announced August 16. At that time Mr. Henderson pointed out that during the preceding 12 months the price of burlap in New York and en route to this country had more than doubled and the prices of burlap bags had likewise shown a very sharp increase. Burlap, virtually all imported from India, is widely used in this country in packaging feed, fertilizer, and agricultural and industrial products as well as in the manufacture of floor coverings, automobiles, furniture, and other goods.

Rayon grey goods.—Effective August 25 maximum prices averaging about 10 percent below levels then current were established for the most important types of rayon grey goods. Rayon grey goods (or "greige" goods) is a term applied to cloth woven of rayon yarn and sold in an unfinished state to converters who dye, print, or otherwise "finish" the goods for sale in turn to the underwear, cloak and suit, and dressmaking trades.

Summary.—The net result of these different moves has been to put a price ceiling over most of the primary textiles required for women's dresses, men's shirts, underwear, coat and suit linings, handkerchiefs, sheetings and a multitude of other items of consumers' goods made of cotton and rayon. While the present levels will necessarily involve some increase in wholesale and retail prices, OPA officials pointed out, the rise should be held within reasonable bounds because of the ceilings on raw materials. In order to maintain high physical volume it becomes doubly important for the distributing trades to avoid increasing their prices more than is made absolutely necessary by increased costs.

Automobile Dealers

Cooperation between OPA and the 44,000 automobile dealers is fully as important as it is between OPA and the eight automobile companies, Cyrus McCormick, chief of the Automobile and Truck Section of OPA told the Los Angeles Motor Car Dealers Association recently. "There is nothing in the OPA policy that can be taken as a prohibition to a dealer or any other businessman making a fair profit. I have frequently heard it said that an automobile dealer must retain his margin of gross profit or he will fail. There have been certain increases in prices in automobiles already announced. They are understood and are doubtless a correct reflection of the increased cost of materials and of labor. No one has so far suggested that these increases are unwarranted.

"Nor has anyone inferred that the dealers should now do business upon a smaller margin of gross profit than in normal times," Mr. McCormick continued. "If a dealer's gross margin were doubled, it would doubtless contribute toward inflation. If, however, his margin remains at the present modest percentage, I can see no reason for questioning it. OPA joins you in believing that an automobile company and an automobile dealer must make a profit or he cannot remain in business. We do not seek to stop that. We welcome it. We only seek—we only seek to help you seek—to guard against inflation."

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502 local consumer committees being formed in Pennsylvania

A consumer interest committee is being organized by each of the 502 local Defense Councils in Pennsylvania to protect the consumer by community action from excessive price increases, Miss Harriet Elliott, Associate Administrator of OPA, in charge of the Consumer Division, announced last week.

Impetus was given to the prompt organization of these committees by the meeting in Pennsylvania last week of the first of a series of State-wide conferences on consumer problems.

"The defense program has ushered in many consumer problems which are local in nature and can best be met by local action on the part of such consumer committees as those being organized in Pennsylvania," Miss Elliott said.

A pamphlet has been prepared describing the organization and program of the local consumer committees.

No plan to raise iron, steel scrap ceilings, says Henderson; rumors unfounded

Rumors circulating in the iron and steel scrap trade that the Office of Price Administration is considering an increase in ceiling prices were emphatically denied October 7 by Administrator Henderson.

Mr. Henderson also declared untrue reports that his office plans to change or eliminate various grades of scrap covered by the schedule so that higher ceiling prices would result for some types.

These rumors appear to have been deliberately inspired by certain members of the trade, the administrator said. Their effect is to influence dealers to refrain from collecting and selling scrap in normal amounts in the belief that they will profit by waiting for higher prices. As a result, scrap accumulates in huge quantities in dealers' yards. Steel plants urgently in need are unable to buy suffi-

cient scrap to maintain their operations at the high levels demanded by the defense program.

With the stage thus set, stories begin to appear blaming the interruption in supply on the "inadequate" prices allowed by the OPA scrap schedule, accompanied by widespread demands that the ceiling be raised to relieve the situation.

"The maximum prices established in the iron and steel scrap schedule are ample to bring out all scrap available," Mr. Henderson said. "No increases in the general price level are warranted and none will be made. Neither will the schedule's grade definitions be changed.

"Those dealers who are hoarding scrap in anticipation of higher prices may find themselves in an uncomfortable situation if their actions continue to hinder the progress of the defense effort."

West put in charge of consumer liaison work

Appointment of Dan A. West, who will take charge of all liaison work of the Consumer Division, OPA, with other Government agencies, was announced October 10 by Miss Harriet Elliott, Associate Administrator of OPA, in charge of the Consumer Division.

Mr. West and his staff will work with executives of the Price Division of OPA as well as the different divisions of the Office of Production Management and other defense and nondefense agencies on matters affecting price, production, priority, minimum standards of performance, simplification and conservation of consumer goods.

To direct 3 panels

Mr. West will also direct the work of three advisory panels recently set up by the Consumer Division. These are the governmental and institutional purchasing agents' panel, the standards advisory panel and the consumer goods distribution and use panel.

Mr. West is on leave of absence as secretary of the Lewis Steel Construction Company. Previously he was in the retail food business in Washington for 20 years and president of the West Dependable Stores operating 20 units in that State.

7 added to accounting staff

The following additions to the staff of the accounting division, OPA were announced October 5 by H. F. Taggart, division head:

Leo J. Van Herpe, formerly associated utilities accountant and financial analyst with the Securities and Exchange Commission, was appointed to the fuel section. Mr. Van Herpe has had several years' experience in the public utility industry as assistant treasurer and acting controller of the Federal Water Service Corporation of New York. He is a native of Troy, N. Y., and his home is in Miami Beach, Fla.

Edgar C. Crosby, formerly an examiner in the Bureau of Internal Revenue, cotton claims section, was appointed to the textile section. Mr. Crosby is a textile engineer and has had 18 years' experience in the textile industry. His home is in New Bedford, Mass.

Charles H. Hasker was appointed to the textile section. He was formerly with the Atlantic Seaboard Freight Tariff Bureau of New York and before that was treasurer of the Cannon Shoe Co. in Baltimore. Mr. Hasker is a native of Richmond, Va., and his home at present is in Timonium, Md.

David P. Guest was appointed to the chemical section. He was engaged for 15 years in accounting and financial management work with the West Penn Power Co. of Pittsburgh and with the Allied Chemical and Dye Corporation. His home is in Staunton, Va.

Robert H. McChesney was appointed to the fuel section. He was formerly on the accounting staff of the Valvoline Oil Co. His home is in Butler, Pa.

Frederick E. Kunzi, for several years chief accountant of the Larowe division of General Mills in Detroit, was appointed to the food section. His home is in Grand Rapids, Mich.

W. Max Fischer was appointed to the paper section. Mr. Fischer has had 15 years' experience in the paper industry and was formerly acting general manager of the Curtis Paper Co. and associated companies in Newark, Del. His home is in Philadelphia.

Panel of 20 on carbon steel castings appointed

Appointment of an advisory panel made up of 20 members of the carbon steel castings industry was announced October 7.

Simultaneously, it was disclosed that a committee of the panel had met with OPA to discuss the forthcoming price schedule on carbon and low-alloy steel castings and that a meeting with another group will be held October 8.

Membership follows:

Oliver E. Mount, secretary-treasurer, American Steel Foundries, Chicago; J. A. Sauer, vice president, The Symington Gould Corporation, 230 Park Avenue, New York; D. C. Bakewell, vice president, Blaw-Knox Co., Pittsburgh, Pa.; Clarence Tolan, president, Dodge Steel Co., Philadelphia, Pa.; Lee C. Wilson, general manager, Reading Steel Casting Division of American Chain & Cable Co., Reading, Pa.; A. M. Adorn, secretary-treasurer, Penn Steel Castings Co., Chester, Pa.; T. H. Harvey, vice president and general sales manager, Ohio Steel Foundry Co., Lima, Ohio; Carl F. Clarke, president, Monroe Steel Castings Co., Monroe, Mich.; Frank M. Robbins, president, Ross-Meehan Foundries, Chattanooga, Tenn.; C. L. Snowden, Jr., vice president and sales manager, Reliance Steel Casting Co., Pittsburgh, Pa.; G. W. Harrison, secretary in charge of sales, Harrison Steel Castings Co., Attica, Ind.; Harold F. Dunbar, general sales manager, McConway & Torley Corporation, Pittsburgh, Pa.; Charles P. Whitehead, vice president, General Steel Castings Corporation, Eddystone, Pa.; W. H. Worriow, president, Lebanon Steel Foundry, Lebanon, Pa.; E. L. Knight, sales agent, Pacific Car & Foundry Co., Seattle, Wash.; Cyrus Hankins, vice president, Unitcast Corporation, Toledo, Ohio; G. T. Johnson, first vice president, Buckeye Steel Castings Co., Columbus, Ohio; T. H. Shartle, president, Texas Electric Steel Castings Co., Houston, Tex.; James A. Slater, vice president, National Malleable & Steel Castings Co., Cleveland, Ohio; W. A. Spuehler, vice president, Burnside Steel Foundry Co., Chicago, Ill.

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Survey under way on Mid-Continent crude oil

A comprehensive investigation of the Mid-Continent crude oil situation has been begun by OPA in cooperation with the Office of the Petroleum Coordinator, OPA announced October 10.

The study was undertaken as a result of suggestions from several leading Mid-Continent producers that a general price increase is desirable. The investigation will cover analysis of data submitted by the producers and studies of the cost of producing oil. Basic economic considerations and the role of petroleum in national defense also will be explored.

The producers have been advised that no general change in Mid-Continent crude prices should be made pending completion of the survey.

PURCHASES . . .

\$590,753,445 War Department contracts cleared October 2 through October 8

Defense contracts totaling \$590,753,445 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 2 through October 8. This compares with a total of \$154,214,423 for the previous week.

CONSTRUCTION

V. P. Loftis Co., Charlotte, N. C.; construction of mobilization type buildings, corrals, and fencing at Fort Bragg, N. C.; \$857,050.

Pullman-Standard Car Mfg. Co., Chicago, Ill.; acquiring, rehabilitating and equipping with machinery a plant at or near Chicago for production of aircraft parts; \$285,152. (Increase to previous Defense Plant Corporation lease agreement making a total of \$1,394,053.)

W. F. & John Barnes Co., Rockford, Ill.; for acquiring site, constructing and equipping a building thereon for manufacture of shells; \$2,000,000.

Reynolds Alloys Co., Lister Hill, Ala.; additional machinery and equipment for plant for the working of aluminum metal; \$2,796,079. (Defense Plant Corporation agreement of lease.)

Leo Epp, San Francisco, Calif.; construction of warehouse, ordnance machine shop, cleaning and preserving materials warehouse and utilities at Benicia Arsenal, Calif.; \$551,202.

Watt & Sinclair of Florida, Inc., Palm Beach, Fla.; construction of miscellaneous buildings at Camp Blanding, Fla.; \$546,064.

Union Paving Co., San Francisco, Calif.; construction of landing strip, paved runways, taxiways, etc., Merced Flying School, Calif.; \$519,273.

E. Jack Smith, Atlanta, Ga.; construction of runways, aprons and taxiways, and drainage facilities, Advanced Twin Engine Flying School, Va.osta, Ga.; \$1,257,355.

John McShain, Inc., Philadelphia, Pa., Doyle and Russell and the Wise Contracting Co., both of Richmond, Va.; construction of new War Department building in Arlington County, Va.; \$31,110,000. (Contractors were previously announced.)

Tennessee Copper Co., New York City; management during construction of East Tennessee Ordnance Works at Copperhill, Tenn.; \$3,340,844.

EQUIPMENT AND SUPPLIES

General Electric Co., Schenectady, N. Y.; turbine superchargers; \$28,406,000.

Diamond T Motor Car Co., Chicago, Ill.; 4-ton wrecker trucks; \$1,161,671.

Yellow Truck & Coach Mfg. Co., General Motors Truck & Coach Division, Pontiac, Mich.; 2½-ton trucks; \$1,581,444.

Diamond T Motor Car Co., Chicago, Ill.; 4-ton trucks; \$923,716.

Ford Motor Co., Dearborn, Mich.; truck-chassis; \$521,001.

General Motors Corporation, Flint, Mich.; trailers; \$664,401.

Zenith Radio Corporation, Chicago, Ill.; frequency meter sets; \$566,868.

American Bleached Goods Co., New York, N. Y.; 1,200,000 yds. olive drab cotton wind-resistant poplin cloth; \$670,800.

American Woolen Co., New York, N. Y.; 300,000 yds. olive drab flannel shirting; \$562,500.

Pacific Mills, Philadelphia, Pa.; 760,000 yds. olive drab flannel shirting; \$1,400,250.

Reeves Bros., Inc., New York, N. Y.; 1,065,000 yds. cotton uniform cloth; \$615,658.

J. P. Stevens & Co., New York, N. Y.; 3,543,000 yds. cotton uniform cloth; \$1,397,713.

Teletype Corporation, Chicago, Ill.; printers; \$704,653.

Pacific Mills, New York, N. Y. (Mill; Beaumont Mills, Spartanburg, S. C.); 2,800,000 yds. uniform lining cloth; \$514,500.

Wilton Woolen Co., Wilton, Maine; 750,000 yds. olive drab wool lining cloth; \$1,160,625.

J. P. Stevens & Co., New York, N. Y.; 415,000 yds. olive drab wool lining cloth; \$644,000.

Dunn Woolen Co., Martinsburg, West Va.; 225,000 yds. olive drab wool suiting; \$550,564.

Peerless Woolen Mills, Rossville, Ga.; 100,000 olive drab wool blankets; \$665,000.

American Woolen Co., New York, N. Y.; 686,784 olive drab wool blankets; \$3,902,113.

Broad Brook Co., Broad Brook, Conn.; 100,000 olive drab wool blankets; \$662,400.

Eleven contractors: Thos. Kay Woolen Mill Co., Salem, Oreg.; Portland Woolen Mills, Inc., Portland, Oreg.; Marshall Field & Co., Mfg. Division, Spray, N. C.; Pearce Mfg. Co., Latrobe, Pa.; West Bend Woolen Mills, West Bend, Wis.; J. P. Stevens & Co., New York City; Bigelow-Sanford Carpet Co., Thomastonville, Conn.; North Star Mills, Philadelphia, Pa.; Nashua Mfg. Co., Boston, Mass.; Gera Mills, Inc. (N. J. Worsted Mills), Garfield, N. J.; Horner Woolen Mills, Eaton Rapids, Mich.—Contracts of less than \$500,000 each for wool blankets, totaling \$3,319,985.

ORDNANCE

Landers, Frary & Clark, New Britain, Conn.; fuzes; \$860,000.

General Steel Castings Corporation, Eddy-stone, Pa. (for mfr. at Ridley Township, Delaware County, Pa.); cast armor shields for gun carriages; \$2,600,000.

Morse Tool Co., Detroit, Mich.; cutting tools; \$857,452.

Excel-Foundry & Machine Co., Fall River, Mass.; fuzes; \$2,494,000.

E. I. du Pont de Nemours & Co., Wilmington, Del.; pentolite; \$557,400.

Parish Pressed Steel Co., Reading, Pa.; gun carriages; \$2,394,697.

Heald Machine Co., Worcester, Mass.; boring and grinding machines, \$993,990.

Hamilton Watch Co., Lancaster, Pa.; fuzes; \$5,720,000.

York Safe & Lock Co., York, Pa.; shot; \$1,064,000.

Robertshaw Thermostat Co., Youngwood, Pa.; boosters; \$1,720,800.

General Motors Corporation, Detroit, Mich. (for mfr. at A. C. Spark Plug Division, Flint, Mich., and Frigidaire Division, Dayton, Ohio); guns; \$27,009,376.

Kelsey-Hayes Wheel Co., Detroit, Mich.; guns; \$2,952,799.

Firestone Tire & Rubber Co., Akron, Ohio; gun carriages; \$18,961,280.

U. S. L. Battery Corporation, Long Island City, N. Y.; ball projectiles; \$1,760,000.

Hoover Co., North Canton, Ohio; fuzes; \$1,984,000.

Read Machinery Co., York, Pa.; shells; \$620,775.

Unexcelled Mfg. Co., New York, N. Y.; parachute flares; \$1,462,500.

AIRCRAFT

Shell Oil Co., Inc., San Francisco, Calif.; fuel; \$1,012,300.

Weston Electrical Instrument Corporation, Newark, N. J.; indicators and tachometers; \$1,554,435.

Ford Motor Co., Dearborn, Mich.; airplanes and spare parts; \$231,742,500.

Ford Motor Co., Dearborn, Mich.; aircraft engines and spare parts; \$182,955,559.

Harrisburg Steel Corporation, Harrisburg, Pa.; gas cylinders; \$2,951,980.

Taylor-Wharton Iron & Steel Co., Easton, Pa.; gas cylinders; \$1,493,458.

Stewart-Warner Corporation, Chicago, Ill.; portable ground heaters; \$567,000.

Switlik Parachute & Equipment Co., Trenton, N. J.; pilot's safety belts; \$614,614.

The Sparks-Withington Co., Jackson, Mich.; release assemblies; \$503,400.

General Electric Co., Schenectady, N. Y.; generator assemblies and inverters; \$1,486,250.

SUBCONTRACT

Leonard Construction Co., Chicago, Ill.; architect-engineering services and construction of East Tennessee Ordnance Works at Copperhill, Tenn. (Management contract announced above.)

Trimmings on fire engines must go

A drastic program to reduce the use of critical materials in the manufacture of fire-fighting equipment by restricting the types and kinds of motorized equipment which may be made and by putting sharp limits on the use of scarce metals in the construction of that equipment was announced October 5 by Douglas C. MacKeachie, director of purchases, OPM.

While the program is designed to remove nonessential trimmings and gadgets from fire engines, it contains nothing which will in any way reduce the effectiveness of fire-fighting equipment.

Manufacturers are requested:

1. Not to make or deliver sedan-type fire engines, quintuple-type machines, service ladder trucks or squad, salvage and reserve cars. (The work done by all of these cars can be performed by other types of equipment, and cutting the number of lines means a reduction in the quantities of material used.)

2. Not to make or deliver any pumpers except those falling in three classes, the classes being defined by gallons-per-minute delivery of water, on the underwriters' rating. (This will substantially reduce the number of models made and will stop production on many small types of pumpers which are considered uneconomic.)

3. Not to make forest-fire trucks, crash trucks, or booster tank trucks having tank or pump capacity above certain specified limits.

4. Not to include a bell on any equipment hereafter made or delivered. An ordinary siren will do the job.

5. Not to make or deliver any equipment containing specified strategic metals in quantities above the minimums laid down in the program.

The program does not apply to equipment which was under construction on special order on October 6 and for which 75 percent of the scarce materials, as called for in the specifications contained in the special order, was already in the manufacturer's possession.

120 Certificates of Necessity for plant expansion issued to 102 corporations

A total of 120 Certificates of Necessity were issued to 102 corporations from September 16 to 30, inclusive, the National Defense Advisory Commission has announced. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$32,846,000.

This brings the total issued through September 30 to 2,532. Facilities covered to date were estimated at \$1,216,578,000.

Last half of September:

The Alabama Great Southern Railroad Co., Washington, D. C.; transportation; \$1,000.
Alabama Institute of Aeronautics, Inc., Tuscaloosa, Ala.; flying instructions, primary flying; \$1,000.
Allegheny Ludlum Steel Corporation; Pittsburgh, Pa.; annealed alloy steel bars; \$35,000.
Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; forgings; \$419,000.
The Aluminum Cooking Utensil Co., Pittsburgh, Pa.; pressed forgings; \$33,000.
Aluminum Ore Co., Pittsburgh, Pa.; alumina, cryolite, fluoride, etc.; \$291,000.
The American Brake Shoe & Foundry Co., New York, N. Y.; brake linings; \$26,000.
American Cyanamid and Chemical Corporation, New York, N. Y.; oleum; \$86,000.
American Locomotive Co., New York, N. Y.; electric power, \$50,000.
Anaconda Wire & Cable Co., New York, N. Y.; shipboard cable, degaussing cable; \$180,000.
Atlantic Elevator Co., Minneapolis, Minn.; grain storage; \$6,000.
The Baldwin Locomotive Works, Eddystone, Pa.; castings, propellers, and propeller wheels for vessels; \$75,000.
Bendix Aviation Corporation (Julien P. Fries and Sons), Baltimore, Md.; Oxygen regulators, indicating systems, etc.; \$14,000.
Bendix Aviation Ltd., Burbank, Calif.; control systems and component parts, landing gear mechanism; \$12,000.
Bethlehem Steel Co., Bethlehem, Pa.; pig iron, wire products, etc.; \$3,048,000.
The Bissett Steel Co., Cleveland, Ohio; steels; \$22,000.
The Blanchard Machine Co., Cambridge, Mass.; surface grinders; \$73,000.
Boeing Aircraft Co., Seattle, Wash.; aircraft; \$3,000,000.
Brown-Walsh Co., Boston, Mass.; steel and allied products; \$10,000.
Camden Forge Co., Camden, N. J.; forged propulsion shafting; \$95,000.
The Canister Co., Phillipsburg, N. J.; cartridge loading and assembly machines; \$152,000.
Central Arizona Light & Power Co., Phoenix, Ariz.; transportation of natural gas; \$39,000.
The Champion Machine & Forging Co., Cleveland, O.; forgings; \$22,000.
The Cincinnati, New Orleans & Texas Pacific Railway Co., Cincinnati, Ohio; transportation; \$3,000.
Cinesimplex Corporation, Syracuse, N. Y.; parts for navigation instruments; \$24,000.
Colgate-Larsen Aircraft Co., Inc., Amityville, N. Y.; airplane parts; \$21,000.
Crucible Steel Casting Co., Cleveland, Ohio; castings and component parts, \$19,000.
De Laval Steam Turbine Co., Trenton, N. J.; turbines, gears, and pumps, \$21,000.
De Laval Separator Co., New York, N. Y.; searchlights, sound locators, compasses, etc.; \$2,000.
Eastman Kodak Co., Rochester, N. Y.; telescopes, spare parts, etc.; \$5,000.

Ederer Engineering Co., Seattle, Wash.; cranes, hoists, etc.; \$31,000.
Farmers Grain & Implement Co., Groom, Tex.; grain storage; \$12,000.
Federal Shipbuilding & Dry Dock Co., Kearny, N. J.; vessels; \$984,000.
The Fellows Gear Shaper Co., Springfield, Vt.; gear generators, and gear finishing machines; \$324,000.
Fort Worth Poultry & Egg Co., Inc., Fort Worth, Tex.; dried egg products; \$20,000.
Gaylord Container Corporation, Saint Louis, Mo.; sulphate pulp, shipping containers, etc.; \$5,000,000.
General Alloys Co., South Boston, Mass.; nickel, chromium, alloy castings; \$51,000.
General Chemical Co., New York, N. Y.; 40% oleum and sulfuric acid; \$236,000.
General Mills, Inc., Minneapolis, Minn.; ordnance materials; \$8,000.
General Motors Corporation, Anderson, Ind.; magnesium castings for Allison engines, \$754,000.
Golden State Co., Ltd., San Francisco, Calif.; dairy products; \$59,000.
Hampshire Woolen Co., Ware, Mass.; indigo dyed woolen piece goods; \$60,000.
The Heppenstall Co., Bridgeport, Conn.; forgings; \$31,000.
Interstate Seed & Grain Co., Fargo, N. Dak.; grain storage and drying; \$21,000.
Jerpe Commission Co., Inc., Omaha, Nebr.; dried whole eggs (powder); \$330,000.
W. B. Johnston Grain Co., Enid, Okla.; grain storage, cleaning, processing, and storage of seeds; \$55,000.
Jones & Laughlin Steel Corporation, Pittsburgh, Pa.; annealing; hot rolled sheets, cold reduced sheets and strip; \$72,000.
Kellogg Commission Co., Minneapolis, Minn.; grain storage; \$5,000.
Keokuk Steel Casting Co., Keokuk, Iowa; steel castings; \$19,000.
Kilgore Manufacturing Co., International Flare-Signal Division, Tipp City, Ohio; parachute flares, and signals; \$32,000.
Ladish Drop Forge Co., Cudahy, Wis.; forgings; \$609,000.
Liberty Tool and Die Corporation, Rochester, N. Y.; machine tools and fixtures; \$11,000.
Liberty Tool and Gage Works, Inc., Providence, R. I.; gages; \$42,000.
Los Angeles & Salt Lake Railroad Co., Omaha, Nebr.; transportation; \$1,000.
Geo. F. Marchant Co., Chicago, Ill.; shot; 37 mm; \$20,000.
Mergenthaler Linotype Co., Brooklyn, N. Y.; telescopes, telescope mounts, range quadrants, etc.; \$2,000.
The Midvale Co., Nicetown, Philadelphia, Pa.; forgings; \$95,000.
Midwest Piping & Supply Co., Inc., St. Louis, Mo.; pipe flanging machines, fabricated piping, welding fittings; \$73,000.
The Mitchell Steel Co., Cincinnati, Ohio; forgings; \$3,000.
Monsanto Chemical Co., St. Louis, Mo.; chlorinated diphenyl, etc.; \$319,000.
The Mosler Safe Co., Hamilton, Ohio; light armor plate; \$133,000.
National Aircraft Equipment Co., Los Angeles, Calif.; airplane parts and tools therefor; \$25,000.
National Aniline & Chemical Co., Inc., New York, N. Y.; maleic anhydride; \$101,000.
National Malleable & Steel Castings Co., Cleveland, Ohio; castings; \$120,000.
The National Twist Drill & Tool Co., Detroit, Mich.; twist drills, reamers, cutters; \$14,000.
New Orleans & Northeastern Railroad Co., Washington, D. C.; transportation; \$3,000.
Newport News Shipbuilding & Dry Dock Co., Newport News, Va.; cruisers, aircraft carriers; \$291,000.
Norton Co., Worcester, Mass.; abrasives; \$45,000.

Ohio-Apex, Inc., Nitro, W. Va.; tricresyl phosphate; \$55,000.

The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$29,000.

Phillips Petroleum Co., Bartlesville, Okla.; transportation of liquefied petroleum gas; \$600,000.

Pittsburgh Metallurgical Co., Inc., Niagara Falls, N. Y.; ferro alloys, ferrochrome, silicomanganese; \$26,000.

The Plomb Tool Co., Los Angeles, Calif.; machine hand tools; \$13,000.

Priebe & Sons, Inc., Chicago, Ill.; dried or powdered eggs; \$52,000.

Reading Co., Philadelphia, Pa.; transportation; \$7,000.

Republic Aviation Corporation, Farmingdale, L. I., N. Y.; airplanes; \$7,000.

Rhineland Paper Co., Rhineland, Wis.; pulp and paper; \$1,294,000.

Robertshaw Thermostat Co., Youngwood, Pa.; boosters; \$5,000.

Rowan Cotton Mills Co., Salisbury, N. C.; combed cotton yarn; \$56,000.

Russell-Miller Milling Co., Minneapolis, Minn.; grain storage; \$5,000.

St. Joe Paper Co., Jacksonville, Fla.; pulp and corrugating paper; \$5,000,000.

Shepard Niles Crane & Hoist Corporation, Montour Falls, N. Y.; electric cranes and hoists; \$15,000.

Sloss-Sheffield Steel & Iron Co., Birmingham, Ala.; pig iron; \$168,000.

Spartan Aircraft Co., Tulsa, Okla.; planes and spare parts; \$35,000.

Speer Carbon Co., St. Marys, Pa.; graphite electrodes; \$513,000.

Sperry Products, Inc., Hoboken, N. J.; torpedo directors, compasses, hydraulic controls; \$7,000.

Staley Manufacturing Co., Columbus, Ind.; aeroplane and tank engine stands; \$9,000.

Todd-California Shipbuilding Corporation, Oakland, Calif.; metallic magnesium; \$3,830,000.

The Tool Steel Gear & Pinion Co., Elmwood Place, Ohio; tool steel pinions and gears; \$62,000.

Union Twist Drill Co., Athol, Mass.; drills, taps, dies, etc.; \$98,000.

United Aircraft Corporation, East Hartford, Conn.; aircraft engines and parts; \$2,264,000.

Universal Boring Machine Co., Hudson, Mass.; universal boring machines; \$31,000.

Valley Compress Co., Fresno, Calif.; cotton storage; \$150,000.

Victoria Elevator Co., Minneapolis, Minn.; grain storage; \$5,000.

Washington Iron Works, Seattle, Wash.; steel castings; \$27,000.

The Wayne Pump Co., Fort Wayne, Ind.; shells; \$23,000.

Welch Industries, Inc., Southfield Township, Oakland County, Mich.; machine tools, \$184,000.

West Coast Telephone Co., Everett, Wash.; telephone service; \$83,000.

Willamette Hyster Co., Portland, Oreg.; lumber carriers, lift trucks, straddle trucks, etc.; \$23,000.

J. H. Williams & Co., Buffalo, N. Y.; drop forgings, and drop forged tools; \$216,000.

Wilson & Co., Inc., Chicago, Ill.; dried eggs; \$66,000.

Wyckoff Drawn Steel Co., Pittsburgh, Pa.; finished steel; \$92,000.

CORRECTION

The Tax Certification Unit has pointed out an error in the figures submitted by the unit and published in DEFENSE September 30. The General Engineering Corporation, Hamilton, Ohio, was shown to have been granted a Certificate of Necessity for facilities estimated to cost \$160,000. The amount should have been \$187,000.

Correction has been made in the total certificates granted to date to compensate for this error.

Defense plant expansions total \$4,725,786,000 through Aug. 1

The estimated cost of 2,756 defense industrial plant expansions approved through August 31 totaled \$4,725,786,000, the Bureau of Research and Statistics, OPM, reported October 9. This represented approval of certificates during August covering an estimated \$533,291,000 of new facilities, an increase of 13 percent over the July 31 figure.

575 with public funds

At the end of August there were 575 expansions for which public funds had been committed—516 representing United States Government commitments, and 59 representing commitments of foreign governments. The estimated cost of these projects was \$3,783,807,000, or 80 percent of all reported defense plant expansions.

2,181 privately financed

On the same date there were 2,181 privately financed plant expansions for which certificates of necessity had been approved, estimated to cost \$941,979,000, or 20 percent of the total.

Federal Government commitments in August involved expansions estimated at \$490,774,000, or 92 percent of the total. Private financing, as measured by certificates of necessity approved, amounted to \$42,517,000, or 8 percent of the total.

The following table shows the number and estimated cost of defense industrial expansions by type of product:

DEFENSE INDUSTRIAL FACILITIES

Value of Industrial Facilities Financed With Public and Private Funds Through August 31, 1941

Type of product	Number of plant expansions	Estimated cost
Total.....	2,756	\$4,725,786
Chemicals (including explosives).....	118	643,364
Products of petroleum and coal.....	24	36,716
Iron and steel products.....	396	595,153
Ammunition, shells, bombs, etc.....	274	831,832
Guns.....	162	305,417
Aircraft.....	308	998,764
Ships and ship repair.....	142	593,443
Vehicles and tanks.....	70	51,264
Nonferrous metals and their products.....	117	327,810
Machinery (except electrical).....	591	249,310
Electrical equipment.....	132	49,126
Miscellaneous manufacturing.....	198	87,109
Nonmanufacturing.....	264	145,478

NOTE.—Number of expansions shown in total column is an unduplicated figure.

HOUSING . . .

Changes in plumbing for defense housing expected to save 40,000 tons of vital metal

Relaxation of some existing plumbing code standards in defense housing construction in the interest of conservation of critical materials for the duration of the emergency has been effected following a series of conferences in Washington between representatives of master and journeyman plumbers and the Office of Production Management, it was announced October 8 by OPM.

It has been conservatively estimated that savings achieved as a result of the revised plumbing installation standards will approximate 160 pounds of brass, cast iron, lead, and copper per one-family housing unit, or a total of some 40,000 tons of these vital metals in the defense housing program scheduled for the coming year.

May increase jobs, too

Increased employment may also result, it was pointed out, since available materials can be spread over a larger volume of construction as a result of the savings accomplished.

Representatives of the National Association of Master Plumbers and the United Association of Journeymen Plumbers and Steamfitters and others mapped out minimum standards of plumbing, consistent with the interests of public health and sanitation, at the meeting with OPM officials, emphasizing that the relaxation of present standards was temporary. The new standards have been incorporated in a series of diagrams and specifications drawn up during the conferences.

In some instances, the use of critically needed metals will be ruled out altogether and replaced by substitutes, while in other cases only limited quantities of materials will be permitted. In no instances will the relaxed standards impair existing safeguards of public health, the announcement emphasized.

Hope to extend conservation

The new standards will apply only to Government-owned or financed housing, since there appear to be no existing legal barriers to the plan's immediate application in this field. As rapidly as possible, however, it is hoped that the emergency relaxations may also be used in civilian housing generally.

Where existing municipal codes and regulations make this impossible, OPM will ask the help of the plumbing and other interested groups in urging local regulatory bodies to pass enabling legislation for the duration of the emergency.

Among those present at the conference were Robert Dick, of New York, representing the United Association of Journeymen Plumbers and Steamfitters; Henry A. Blank, of Dayton Ohio, representing the National Association of Master Plumbers; and others, including officials from the Housing Priorities Branch and the Conservation Branch, both of the Division of Purchases, OPM.

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Palmer lists 2,288 defense homes as completed in week

Defense Housing Coordinator Palmer announced October 10 that 2,288 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending October 4, making a total of 40,683 now ready for occupancy.

With 1,496 homes going into construction during the week, the total of publicly financed homes completed or now being built reached 92,709.

Federal funds have already been allotted for 121,865 defense homes.

FHA-inspected privately financed homes started during the week totaled 4,869. Since January of this year, 166,298 such homes have gone into construction.

The total number of dormitory units completed for occupancy by single defense workers has reached 5,578.

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ORE MOVEMENT

Reports from the four principal ore-handling railroads for the week ended October 4 showed they loaded into boats at upper lake ports 2,276,227 tons of ore as compared to 2,170,073 tons loaded during the corresponding week in 1940.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 60,800,333 tons as compared to 47,448,015 during the corresponding period of 1940.

TRANSPORTATION . . .

Ample warehouse space indicated for defense and Lend-Lease materials

Harry D. Crooks, consultant on warehousing, Transportation Division, last week reported to Commissioner Ralph Budd that, based on best information now available, there is or will be ample warehouse storage to take care of our own defense and Lend-Lease materials. The general storage situation at present is reported as follows:

Army.—Sufficient storage space to take care of army of 1½ million men now under arms and enough planned for another one-half million with shipping depots and embarkation docks.

Navy.—Sufficient storage space to take care of supplies and spare parts for a two-ocean navy presently built or under program.

Lend-Lease.—Depots building or planned for ordnance, ammunition, and equipment requiring covered storage as well as yard space and equipment to handle new storage.

Food and agricultural crops

Cold Storage.—Large unused capacity in private and public cold-storage plants. Possible special requirements in certain localities on account of dehydration or other unusual program.

The Transportation Division and the Department of Agriculture are working together closely on necessary plans for providing adequate cold storage to handle the new Lend-Lease program which involves acquisition of perishable products for overseas movement.

Dry Storage.—General merchandise.—Some 20 million square feet of vacant space in public merchandise warehouses. The 80 million square feet operated are being added to by acquisition of vacant buildings and some new construction, and will undoubtedly be increased further as space becomes scarce in particular points. It is regarded as important that materials and equipment for warehouse extensions be given high priority rating.

Crop warehouses.—Apparently there is no serious shortage in sight except in relation to grain. This year's grain crops are being handled with great difficulty and next year the situation will depend on ability of the industry to secure sufficient priorities on building materials to make the necessary extensions. Cotton, wool, tobacco, and dried fruits

should be taken care of without great difficulty.

Better than in World War I

Commenting in more detail upon the Army and Lend-Lease requirements, Mr. Crooks stated:

"... It appears that even now the space available is in excess of what was in existence at the peak of the first World War effort. Roughly speaking, there is 25 million square feet of depot space already constructed, and 25 million feet more which will be coming into use during the balance of the fiscal year ending June 30, 1942. While some of this space is in the interior of the country, a very large amount is located strategically for movement overseas. Typical of these depots are those at Schenectady, N. Y., New Cumberland, Pa., Richmond, Va., and Atlanta, Ga. in the East, and one in the Pacific Northwest area. These depots are located back of the coast so as to be able to feed all or any ports. Then there are the two large depots at Voorheesville, N. Y., and Marietta, Pa., now under construction, designed for Lend-Lease materials.

"In addition to these feeder depots are large port depots at Boston, New York, Philadelphia, Charleston, S. C., Mobile, Ala., and New Orleans, in the East and South, and Los Angeles and Oakland, Calif., and Seattle on the West Coast.

Further space available

"In case an emergency comes before projected space is ready or if a shortage develops, there is, say, 10 million square feet available in public warehouses, another 10 million feet probably to be secured in vacant buildings, and several million feet in buildings constructed during the First World War which are now used for commercial storage, but which could be commandeered. Much bulky material such as tanks, trucks, and guns can be safely stored outdoors with use of dunnage and tarpaulins.

Funds asked of Congress

"The Congress has been asked for funds to construct some 8 million square feet more of Lend-Lease depots as well as large sums for port facilities here and abroad to facilitate the flow of Lend-Lease materials.

"The space mentioned above is supplemented by 75 to 100 million square feet of storage space in or near Army camps, at Medical Corps centers, Air Corps, and munitions depots, etc. All in all, the storage situation appears to be well in hand if Congress furnishes the necessary funds as asked for by the different agencies."

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AUTO PRODUCTION MEETING

Passenger car production quotas for January 1942 will be discussed at a meeting October 15, of members of the automotive defense industry advisory committee with representatives of the Office of Production Management and other interested Government agencies.

At a similar meeting September 15, December production of passenger automobiles was ordered curtailed 48.4 percent below last December's output to conserve scarce materials for national defense. Manufacturers will be allowed to produce 204,848 passenger cars during December, compared with 396,823 during December 1940.

A 26.5 percent curtailment was ordered August 21 during August, September, October, and November.

The October meeting will be at 10 A. M., Willard Hotel, Washington.

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CARLOADINGS DECREASE

Revenue freight carloadings during the week ended October 4 totaled 917,516 cars, an increase of 13.8 percent over the 806,004 cars loaded during the corresponding week in 1940; but a decrease of 1,994 cars under the preceding week when loadings totaled 919,510 cars.

CARLOADINGS—WEEK ENDED OCTOBER 4

	1941	1940	Percent Increase
Grain and grain products.....	40,180	39,388	2.0
Livestock.....	18,841	19,606	13.6
Coal.....	170,098	127,693	33.2
Coke.....	13,559	11,721	15.7
Forest products.....	46,438	40,728	14.0
Ore.....	70,114	66,074	6.1
Merchandise l. c. l.....	161,309	159,626	1.1
Miscellaneous.....	396,927	341,168	16.3
Total.....	917,516	806,004	13.8
Cumulative—40 weeks.....	32,181,000	27,396,044	17.5

1 Decrease.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Modern egg-drying methods assure fine product for U. S. and for Britain

America's "food for freedom" program may bring some changes in the egg business, especially with regard to dried eggs.

Years ago, egg drying was a good-sized industry in this country. But some concerns used eggs of poor quality, and so damaged the popularity of dried eggs. Refrigeration further reduced the demand for dried eggs. With the opening of the Panama Canal, shipping costs were reduced and a good share of what was left of the dried-egg business moved to the Orient.

Fine quality now assured

Today, modern egg-drying methods and inspections assure fine quality. But the Department of Agriculture points out that the present war has brought about some further big changes.

The British have made big demands for dried eggs because the dried eggs are highly concentrated. With virtually all imports of dried eggs from the Orient now shut off, the Department has encouraged American concerns to expand production and put up new plants. Defense officials have cooperated by giving priorities on steel and other materials for new egg-drying plants.

37 new plants established

Altogether, 37 new plants will have been established by the first of the year in addition to 16 plants which have been operating during the past few years. In the past most of the egg-drying industry has been in the Southwest, including Texas, Oklahoma, and Missouri. The new plants are being placed mainly in the surplus egg-producing States in the Corn Belt.

Enough expected for U. S. and export

Department officials figure the 53 plants could, by year-around and continuous operation, produce up to about 145 million pounds of dried eggs a year. This should assure adequate supplies for export and domestic consumption.

Plans for using all of these egg-drying plants after the war are already being

mapped. For some time after the war, Department officials believe dried eggs will be an important food in aiding war-torn Europe, especially in towns where refrigeration facilities have been destroyed.

Could be scaled down later

After that, production of these drying plants could be scaled down by running the usual 8 hours a day instead of the present 24 hours and by operating only during the four peak producing months instead of the year around as they are now being called on to do.

"Merchant steel" priorities should keep farmers going if they buy only for needs

The Department of Agriculture points out that the recent Office of Production Management order assigning an A-9 priority rating to specified merchant steel products handled by steel warehouses, certain hardware stores, dealers and jobbers should be of assistance to farmers in meeting their hardware needs.

M. Clifford Townsend, director, office of Agricultural Defense Relations, said that while the order was not limited to agricultural tools or hardware it was of value to farmers. The order is good for the months of October, November, and December.

"Under this priority order," Mr. Townsend said, "concerns handling metal roofing, pipes, fencing, nails, and similar steel products are allotted a certain percentage of their normal requirements without the necessity of getting priorities. With the cooperation of warehouses, dealers, and farmers, this order should take care of the most pressing needs of farmers for most of these metal products.

Farmers' cooperation essential

"However, the order does not in any way relieve farmers of the necessity of seeking to buy only those steel products which are absolutely needed. We are

Officials also see some indication of an increased demand for dried eggs in the United States after the war. In recent years, in this country, dried eggs have been used mainly by bakers and other food concerns. Dried eggs can be used in the home not only in custards and cakes but also for such things as scrambled eggs.

On sale in packages

Already, one large food concern is experimenting in selling dried eggs in a small consumer package. If dried eggs should take hold in this country after the war, they would increase the market for eggs, especially among low-income families, and also help iron out the big ups and downs in egg prices in different seasons of the year.

faced with a serious shortage of most strategic metals and the complete co-operation of farmers is necessary in helping save metals needed for defense.

"On pipe, needed by farmers for water lines, milking machines, and similar uses, the order allots warehouses handling this product 80 percent of the amount sold in October, November, and December 1940. This 80 percent should take care of farmers' most essential needs if things that are not immediately needed are put off.

Substitutes available

"For galvanized sheets used for roofing, the new order allots only half as much as formerly used but other types of roofing, such as cement, asbestos, asphalt, wooden shingles, and composition roofing, are available.

"On fencing and nails, the allotment is 70 percent of usual needs. With repair of old fences, with delay where possible in putting up new fences, farmers can probably get along with the metal allotted for fencing. There's no suitable substitute for nails so we'll just have to make the available nails go around.

"Farmers who do have trouble getting nails, fencing, or any other material of this kind that is actually needed should report their problems to their local USDA Defense Board."

CIVILIAN DEFENSE

Air raid warning system described in pamphlet issued as civilian defense guide

A comprehensive pamphlet entitled "Air Raid Warning System," prepared by the War Department under the supervision of the Chief Signal Officer, United States Army, with suggestions of the National Technological Civil Protection Committee was issued October 12 by the Office of Civilian Defense.

The foreword to the pamphlet declares:

"The effectiveness of the entire scheme of civilian defense depends largely upon the effective organization and functioning of the civilian air raid warning system.

"An understanding of how, when, and where the military aircraft warning service is coordinated with the civilian air raid warning system and of how the latter functions with the whole scheme of civilian defense is essential to the successful organization and operation of any of these defense agencies.

"The data and information contained herein are based upon the latest and most authoritative information available upon the date of publication, and are intended as helpful suggestions, many of which may be modified and adapted to each local situation and to specific installations. However, care must be taken to be certain that no modification of essential procedure is introduced.

"In no sense should issuance of this pamphlet be construed as a signal to start work immediately upon installations. Using the material in this pamphlet as a guide, studies of existing installations and plans for extending or adapting them can be initiated by responsible agencies. The Office of Civilian Defense will announce when the actual installations should be made."

Twofold purpose

The pamphlet contains five chapters under the following heads: General, The Military Aircraft Warning Service, The Civilian Air Raid Warning System, Public Warning Systems, and Training. Under "Purpose" the first chapter declares:

"This pamphlet is furnished primarily as a guide to aid local civilian defense organizations in the proper and efficient discharge of their duties with the air raid warning service in the event of air raids, and its purpose is twofold:

"a. To furnish a set of instructions to local civilian defense organizations for the installation and operation of a civilian air raid warning system.

"b. To explain how the civilian air raid warning system will be coordinated with the military aircraft warning service."

Definitions of air raids, black-outs, warning districts, filter centers, etc., follow, and the responsibilities of the military aircraft warning service in the event of an attack are defined.

The second chapter describes the organization and functions of the military aircraft warning service, the procedure, and the coordination with the civilian air raid warning system.

In the third chapter, the civilian air raid warning system is described in detail; the method of communication, equipment, and procedure. The concluding chapters deal with public warning systems, the location and type of signals, etc., and the training of personnel, instructors, etc.

Complete with charts and maps

The pamphlet is complete with charts and maps describing telephone and communication systems, as well as organizations of the various civil, official, and military divisions. It also includes specimens of forms to be utilized throughout the service.

The pamphlet was distributed to the Governors of the States and subsequently will be available to local defense councils through their respective State defense councils.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

Sugar outlook bright; acreage limits may be removed

Production goals in the Farm Defense Program of 1942 have been set by the Department of Agriculture and farmer representatives for almost all products. In some cases goals call for record production; in others for less than usual. No definite production goal has been set for sugar—an important energy food for both fighters and workers. Instead of a goal, the indication is that acreage limitations will be removed on cane and beet sugar plantings in the domestic areas of the United States in 1942.

There has been some concern during the year as to whether enough ships would be available to bring the usual quantities of sugar to America from the Philippine Islands. This has been reflected in the apparent desire on the part of sugar buyers, including housewives, to carry greater reserve supplies of this energy food. However, it is now clear that for 1941 practically all of the duty-free Philippine Island sugar quota will be met. Even if the emergency should cut down on Philippine sugar shipments during 1942, the prospect that domestic acreage limitations will be removed, and that large sugar supplies will be available in nearby offshore areas makes the sugar supply situation a bright spot against a dark international picture.

In fact, in recent years the sugar supply situation has been such that production limitations were deemed necessary both in the United States and in Cuba to protect the income of growers.

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Peebles to head plumbing, heating branch

Appointment of Leighton H. Peebles as chief of the plumbing and heating branch of the Division of Civilian Supply was announced October 9 by Joseph L. Weiner, deputy director.

Mr. Weiner announced also that Ernest Katz, executive vice president and controller of R. H. Macy and Co., Inc., of New York, and Harold W. Osterhaut, assistant vice president of the National City Bank of New York in charge of organization and personnel in the Brooklyn and Queens branches, have been temporarily loaned to the Division of Civilian Supply to assist in administrative and organizational work.

Mr. Peebles, who studied at Union College, Schenectady, N. Y., under the late C. P. Steinmetz, formerly was in charge of the power section of the Office of Price Administration and Civilian Supply.

Sites chosen for 2 experimental consumer information centers

Selection of Detroit, Mich., and Williamsport, Pa., with the county in which it is located, as the sites of experimental consumer information centers, has been announced by Miss Harriet Elliott, Associate Administrator of the Office of Price Administration in charge of the Consumer Division. A third city, to be located somewhere in the South, will be selected later.

Representatives of the Consumer Division of OPA together with those of a number of other Government agencies, met in Washington recently to work out plans for such centers. Since a need for the coordination of consumer services was apparent, it was agreed that the Consumer Division, through its field representatives, should bring together these and other Federal agencies to assist representative local groups in setting up these centers.

Such consumer information centers will furnish informational material on request, provide services to local groups on buying problems, and receive complaints concerning prices, rentals, etc.

Local defense councils, consumer groups and any other organizations working in the emergency program are urged to familiarize themselves with this new consumer service.

Bulletin available

The Consumer Division of OPA has also issued a bulletin containing concrete information on the creation of such centers for use by local groups.

Mrs. Eleanor Roosevelt in her regular radio program October 5 urged consumers to support the program of the Consumer Division in setting up local information centers and to organize in their communities to check prices.

As an example of the reaction of consumers to rising prices, Mrs. Roosevelt also told of a letter she recently received from a young woman whose husband was working in a defense industry and was getting considerably more income than previously. Mrs. Roosevelt reported that this woman wrote "bitterly" that she had no more comforts than before and no more chance to save because the increased earnings of her husband were all swallowed up by the increased cost.

"It is quite evident that no single individual can have much effect upon rising costs, but it is equally evident that where a group gets together in a village or a town or a city, they can find ways and means of making it difficult to profiteer," Mrs. Roosevelt said.

HEALTH AND WELFARE . . .

Emergency measures have kept diseases in check in defense areas, USPHS reports

Emergency public health measures in defense areas have kept acute infectious diseases in check and prevented serious epidemics, according to a recent report of the United States Public Health Service to Federal Security Administrator Paul V. McNutt, director of Defense Health and Welfare Services.

300 trained and sent to field

The report indicates that the control of venereal diseases has been, and will probably continue to be, the main health problem in most defense communities. It continues:

To meet the need for personnel in State and local health departments overtaxed by suddenly increased populations, the Public Health Service has recruited new workers and has given them an intensive course in the special health problems of defense areas. Over 300 such workers have completed their training and gone on active field duty in 39 States, Hawaii, and Puerto Rico, to assist in emergency health and sanitary activities and in emergency industrial hygiene work.

Officers from the Service have been assigned to the 9 Army Corps areas to act as liaison men between the military and the civil authorities and smooth the way for joint action.

"Scouting parties" on the job early

As soon as the effects of defense activities began to be felt by local communities, the Public Health Service sent out teams of physicians and engineers to reconnoiter in those areas where difficulties might be expected. These scouting parties visited 225 areas affected by military encampments, industrial expansion, or both. They investigated the water supplies, sewage, and garbage disposal facilities, housing, the measures for mosquito and rodent control, and all the varied aspects of sanitation and health protection. They studied the public health facilities and took stock of the hospitals, clinics, and number of physicians. In their reports they listed the particular weaknesses of each area, such as inadequacy of water supply for the additional population brought in by defense activities, or the lack of facilities for the control of venereal diseases. From these preliminary surveys, it was clear that in virtually all defense areas

help would be needed to provide adequate health protection.

Local health staffs augmented

Where no local health organization existed, an officer was assigned by the Public Health Service to assist the State health department in setting up an emergency unit. Eight officers are now on detail to direct these units with the aid of personnel from the Service and from the State. In other areas where a local health department was in operation but could not meet its expanding responsibilities, the Public Health Service augmented its staff.

The liaison officers assigned by the Public Health Service to the Army Corps areas have worked with the military and naval authorities and civilian health officers to reduce and forestall venereal diseases. Facilities and services for their control have been expanded. On June 30, 1939, there were 2,085 clinics in operation. The number had gone over 2,450 by June 30, 1940, was nearly 3,090 by November 30, 1940, and is probably in the neighborhood of 3,300 today. New admissions for the fiscal year 1939 totaled over 312,000, for 1940 over 355,000, and for 1941 over 425,000. Serious efforts are made to locate all civilian contacts and to render them noninfectious through adequate treatment. Through its Division of Social Protection, as well as the Public Health Service, the Office of Defense Health and Welfare Services works for better enforcement of laws against prostitution and for more adequate facilities for prevention, detention, and rehabilitation.

500 plants given consultations

Industrial hygiene becomes increasingly important as production of war materials is stepped up. The Public Health Service therefore directs its industrial hygiene activities particularly toward the protection of defense workers. Consultation services by members of the Division have been given in over 500 plants. Surveys and detailed studies have been made in industries producing the materials of war—including aircraft, military vehicles, munitions, and ships. Of the more than 1,750 recommendations offered, approximately 400 have been carried out.

ICC expects 1941 weekly peak of not over 960,000 cars

In the first issue of a new publication MONTHLY COMMENT ON TRANSPORTATION STATISTICS the Bureau of Statistics of the Interstate Commerce Commission estimates that the weekly peak carloadings for this year will not exceed 960,000 cars. The portion of the report dealing with this subject states:

"Carloadings for September of this year have not increased according to normal seasonal expectations, and it does not appear likely now that a weekly peak of more than 960,000 will materialize this season. However, the handling of as many as 1,000,000 carloads per week, which represents approximately the estimated peak according to some recent forecasts, would require a ratio of 1.80 active cars on line per car loaded, with 1,800,000 active cars. If the need should develop, the attainment of such a ratio for a short period does not seem beyond reach, provided there is reasonable cooperation in the efficient use of cars. A more severe test of the car supply and of railway performance may be in prospect for next year."

The new Interstate Commerce Commission report which Transportation Commissioner Budd stated is a helpful contribution to information on the subject of transportation deals with:

(1) Trend of revenues and traffic covering all forms of internal transportation, (2) railway operating expenses, (3) net railway operating income, (4) railway net income, (5) railway operating performance and freight-car supply, (6) railway accidents, and (7) railway employment.

DEFENSE BOND SALES

Sales of Defense Savings Bonds reached \$1,504,411,000 as of September 30, the Treasury Department has announced. This is at the rate of \$300,000,000 a month since the Defense Savings Program was launched last May 1. September sales were \$232,327,000.

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Orders for 228 civil planes permitted conditionally

Acting with the approval of the War Department and the Aircraft Branch of the Office of Production Management, the Supply Priorities and Allocations Board approved on October 7 a program under which aircraft manufacturers may accept civil orders for the construction of commercial transport planes.

Covering the 18-month period beginning January 1, 1942, the program provides for the construction and delivery of 156 DC-3's, 52 Lockheed Lodestars and 20 DC-4's.

Construction and delivery of the planes is subject to the following provisions: If the Army needs the planes on their completion it may have them; if while they are being built their construction interferes in any way with the construction of Army planes or other goods for the Army, the Army orders are to have the right-of-way. In addition, the planes will be built with special reinforced flooring and with wide doors so that they may be immediately adapted to use as military transport planes in case of need.

Construction and delivery throughout is made subject to the approval of the Joint Aircraft Committee.

Blocking of Soo Canal shows need to rebuild old lock—Budd

The blocking of the Soo Canal due to collapse of the railway bridge on October 7 indicates immediate necessity for rebuilding the now unused Weitzel Lock, Ralph Budd, National Defense Commissioner of Transportation, said October 11.

The switch engine and two freight cars which plunged through the partially opened drawbridge blocked loaded iron ore ships, which have been racing cargoes south against the close of lake transportation when the Lakes become frozen. Coal traffic moving north was also stopped. All movements through the canal of heavily loaded iron ore and coal boats were stopped by the accident for 2 days. A 100-foot channel was cleared and partial operations resumed on the morning of October 9, but it was not possible to remove the locomotive and tender from the canal and resume full operations until the evening of October 10 or 3½ days from the time of the accident.

Weitzel Lock is separate

The wreck occurred in the north channel. The Weitzel Lock is in the south channel, spanned by a separate bridge. If the Weitzel Lock had been usable, vital traffic on the greatest ship highway in the world could have continued.

On February 19, 1941, the National Defense Advisory Commission approved the project for rebuilding the Weitzel Lock in the Sault Straits.

The improvement has been recommended by the U. S. Army Engineer Corps, and referred to the Rivers & Harbors Committee of the House.

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OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

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BUREAU OF CLEARANCE OF DEFENSE INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

OCTOBER 21, 1941

VOLUME 2, NUMBER 42

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9----- 1,588,600
Navy and Marine Corps, Oct. 1----- 366,629
Nonagricultural workers, Aug-----*39,542,000
Percent increase since June 1940----- 11.6
18 defense industries, Aug----- 2,589,200
Percent increase since June 1940----- 60.3

FINANCE

June 1940-September 30, 1941

Authorized program----- *\$56,792,000,000
Contract awards----- *37,654,000,000
Total disbursements----- *10,650,000,000

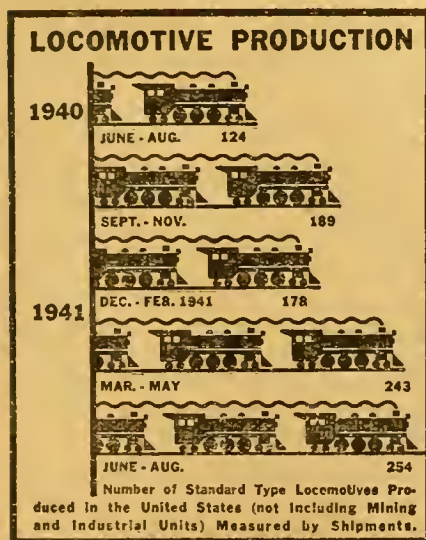
PRODUCTION

Paid on contracts, June 1940-
September 30, 1941-----*\$8,330,000,000
Military aircraft, September----- 1,914
Combat vessels in September----- *6
Merchant ships, September----- *9

Week ended October 11

Significant defense strikes in Strikes Workers
progress during week----- 7 12,100
Number settled----- 2 6,000

*Preliminary.



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Review of the Week in Defense

Efforts to save, produce and acquire more of the scarce and vital raw materials occupied the defense agencies last week.

In its first direct punitive action, the Priorities Division suspended aluminum operations of a company found to be a violator of priority orders. Officials announced that 1,800 aluminum foundries are being checked; that other industries will be surveyed as soon as investigators are available; and that all the resources of the law will be used to bring transgressors into line.

The Office of Production Management gave to a new Bureau of Industrial Conservation all the formerly scattered duties connected with preventing waste or unnecessary expenditure of raw-material supplies throughout the Nation.

January auto production cut

To conserve steel and other scarce materials for defense, OPM decided that at least 51 percent fewer passenger automobiles shall be made in January 1942 than in the same month of 1941.

Director General Knudsen recommended an increase of 318,000 tons in the annual capacity of one plant for electric alloy and stainless steel ingot. The Priorities Division granted aid to copper mines in South America, to boost their production for shipment to the United States, and gave 150 defense companies the assistance of an A-10 rating to obtain copper scrap.

Scrap import encouraged

The Office of Price Administration, seeking to tap supplies of iron and steel scrap outside the United States, offered to grant authority for import at above-ceiling prices; Attorney General Biddle approved in principle the simplification and standards program of the Consumer Division, OPA; and the Division of Civilian Supply prepared a questionnaire for the commercial refrigeration and air conditioning industries to find where they can save materials.

The Priorities Division extended the existing program for heavy motortrucks,

medium trucks, and truck trailers so manufacturers could go ahead and order steel for December. Sperm oil, a defense production essential for which the demand has doubled, was placed under full priority control; and extension of priority ratings granted to vital roads was placed in the hands of public officials.

Preserving essentials

Hand in hand with the work to speed materials to defense went an effort to lighten resultant damage to civilian economy. The Priorities Division produced a new plan under which hundreds of thousands of plants may get defense ratings for maintenance, repair or operating supplies necessary to keep them going, and put chlorinated solvents under control to see that supplies are available for food fumigation.

OPM certified to the War Department that Meadville, Pa., where hundreds have lost their jobs because there is no copper for the slide fasteners manufactured there, should have special consideration in awarding defense contracts. A similar recommendation bore fruit in a defense contract for the Kenosha, Wis., area. The Attorney General ruled that, under certain conditions, preliminary conversations by companies wishing to combine their efforts in getting a defense order would not make them liable to prosecution.

Secondary aluminum prices

The Office of Price Administration announced reductions ranging from 1 to 3 cents a pound in ceiling prices for aluminum scrap and secondary ingot; adjusted upward the maximum prices of zinc scrap and secondary slab zinc; placed under ceilings virtually all types of cotton goods made of carded yarn; notified tire manufacturers that no objection would be raised to a 9-percent advance in consumer list prices over June 16, 1941, levels; and announced that maximum prices would be established for all forms of rayon yarn.

The National Defense Mediation Board set a new weekly record in returning 16,180 men to work.

Only 7 strikes have significant effect on defense, Labor Division asserts

The Labor Division of OPM reports that there were 29 strikes as of October 18 in plants with any known defense contracts. Of these, however, only 7 cases had any significant effect on the defense effort, the Labor Division asserted last week. These cases were:

Lakeside Steel Improvement Co., Cleveland, Ohio (manufacturing heat treating equipment)—The strike of 110 UAW-CIO began on October 16. Both wage adjustments and union security involved. A conciliator working on the case.

National Steel Corporation, Ecorse, Mich.—The strike of approximately 8,000 SWOC-CIO began on October 15 over wages and reclassifications. The union officials and a Federal conciliator made a radio appeal to the men to return to work October 18.

Shenango Penn Molding Co., Sharpesville, Pa., and Neville Island, Pa. (making equipment for open hearth furnaces)—The Neville Island plant (175 SWOC-CIO) struck on October 14 and the Sharpesville plant (1,100 SWOC-CIO) stopped work on October 16 over wages and union status. OPM Labor and Industry Consultants joined the Federal Conciliator October 18.

Tube Reducing Corporation, Wallington, N. J.—The strike of 180 SWOC-CIO began on October 18 after negotiations for a first contract became deadlocked. Wages were at issue.

Anaconda Wire & Cable Co., Muskegon, Mich.—The stoppage since September 19 of 700 UAW-AFL and IBEW-AFL is the result of a contest for union representation. OPM making efforts for a settlement.

American Engineering Co., Philadelphia, Pa. (making steering gears and other battleship equipment)—This case was certified to the National Defense Mediation Board October 18. The issue was wages, and 350 IUMSWA-CIO were involved.

Air Associates, Bendix, N. J. (making airplane parts)—The refusal of the management to accept the recommendations of the National Defense Mediation Board resulted in a stoppage of 500 workers at this plant since September 30.

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Priorities Division suspends aluminum operations of firm held to be violator

Drastic and sweeping punitive action against a violator of priority orders was taken October 16 by the Division of Priorities.

Priorities Director Donald M. Nelson signed a Suspension Order which shuts off all aluminum operations of the Central Pattern & Foundry Co. of Chicago until March 31, 1942, except that the company may use aluminum in inventory to complete defense orders on its books as of October 1.

The order—marking the first direct punitive action against a violator—states that the Chicago company's violations diverted much-needed aluminum from vital defense production and thereby held up and delayed the defense program of the United States.

The Chicago company employs approximately 250 men. However, in addition to its operations with aluminum, the company also fabricates brass and zinc products; these operations are not affected by the Suspension Order.

Other suspensions may follow

Mr. Nelson, who signed the order after exhaustive investigation by the compliance and field section, during which officials of the Chicago company were given an opportunity to tell their side of the story, said that additional suspension orders may be issued against other firms found to be in violation of priority regulations.

Chief charge against the company was that, in July, it shipped 41,449 pounds of aluminum products for nonessential uses in violation of directions by the Director of Priorities. These shipments were made as follows:

Name of company	Pounds	Use
Farnsworth Telephone & Radio Co.	2,739	Juke box castings.
O. D. Jennings Co.	8,787	Coin operated machines.
Mills Novelty Co.	17,199	Coin machines.
Haywood Wakefield Co.	5,613	Railroad coach seat parts.
Eastman Kodak Co.	3,962	Kodak parts.
The Filtrix Corporation	3,149	Vacuum cleaner castings.
Total	41,449	

The order declares that the company had misrepresented its scheduled shipments of aluminum for July, had failed to obtain required statements as to inventories and orders from its customers, and had without authorization accepted

deliveries of aluminum scrap. The company, the order says, "committed these violations despite full knowledge on its part of the requirements of these orders."

During the time the order is in effect, the company may not (a) accept any deliveries of aluminum from any source; (b) may not accept any purchase orders for delivery of aluminum.

It is provided, however, that the company may make delivery of aluminum and aluminum products for the fulfill-

1,800 ALUMINUM FOUNDRIES

are being checked for priorities compliance, with other industries to follow, it was revealed in Priorities Director Nelson's press conference October 16. Discussing the suspension order against Central Pattern and Foundry Company, he said: "Don't think for a moment that this is an isolated case. This is just the beginning, and the only reason we are attaching any importance to it is because it was the first."

(Further details on p. 21.)

ment of the defense orders on its books as of October 1.

It is also provided that no person may deliver any aluminum to the Chicago company or accept delivery of any aluminum from the company under circumstances which would constitute a violation by the Chicago company of the terms of the Suspension Order.

It was explained that the company had defense orders underway on October 1 which will require approximately 288,000 pounds of aluminum for completion. The company will be permitted to finish these orders, under the supervision of the Priorities Division, so that the defense program will not be further impeded.

Other than this immediate defense business, however, the future operations of the company with aluminum are stopped by the order until March 31, 1942. Some of the defense orders on the company's books have been produced; the remaining defense orders should require about a month to complete.

The orders violated by the company are General Preference Orders M-1, M-1-a, and M-1-c.

Order No. M-1 was the original order putting aluminum under full priority control.

Order No. M-1-a establishes a general schedule of preference ratings for shipments of aluminum, listing the ratings which are generally applicable for certain kinds of uses.

Order No. M-1-c states that deliveries of aluminum scrap may not be made except under preference ratings.

Background

The Central Pattern & Foundry Co. is at 3737 South Sacramento Avenue, Chicago.

On August 25, 1941, C. H. Burton, field examiner for the Aluminum and Magnesium Branch of OPM, inspected the books and records of the company.

On September 11, 1941, the case was submitted to the compliance section of the Priorities Division.

On the basis of the facts disclosed by the inspection, and upon the basis of reports filed by the company with the division, a letter was sent to the company on October 1, 1941, setting forth specific violations of the aluminum orders.

Representatives of the company were granted an opportunity to tell their side of the story at a meeting on October 9, 1941, at the offices of L. J. Martin, head of the compliance and field section.

Frank P. Battle, president of the Chicago company, and N. D. Burrows, an industrial engineer associated with the company, attended the meeting.

Following this meeting, the compliance section recommended that punitive action be taken.

Shipments were in lowest civilian class

In recommending this action, the compliance section stated that:

(1) The aluminum shipments made for nonessential purposes, as previously mentioned, fall within the preference rating class B-8, the lowest civilian rating. These shipments constituted a violation since the Director of Priorities on or about July 1, 1941, had directly prohibited shipments of aluminum by this company falling within the B-8 category.

(2) The Central Pattern & Foundry Co., in reports filed with the division, represented to the division that all deliveries of aluminum scheduled for July which fell within preference rating classes B-1 through B-8, were less than 1,000 pounds for each order. This was false and misleading, in that the company had scheduled the shipments previously set forth for July delivery.

(3) During July, the company accepted deliveries of aluminum scrap for melting

and other processing by it from the following companies in the amounts set forth below:

Name of company:	Pounds
Milwaukee Scrap Metal.....	6,075
Brodey Brothers.....	19,530

No preference rating had been assigned to these deliveries, and they were received in violation of the terms of Supplementary Order M-1-c.

(4) During July 1941, the company made deliveries of aluminum to a number of customers who had not furnished the company with sworn statements as to inventories and orders, as required by General Preference Order M-1-a.

As of October 1, the company had a number of legitimate defense orders on its books. At this time, however, it also had in its possession enough aluminum to complete these orders. The order permits this aluminum to be used for the specific defense contracts.

In addition to the investigation of the Chicago company, which started on August 25, a Nation-wide survey has also been started of other aluminum foundries under the direction of the compliance section. It is expected that in the near future investigations will also be started in other metal fields.

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Seven new priorities field offices open

Seven new field offices of the Priorities Division of the Office of Production Management were open for business October 13, it was announced by Priorities Director Nelson.

The addresses of the new offices, and the names of the district managers in charge, follow:

Memphis, Tenn.—Sterrick Building, J. S. Bronson, district manager; *Louisville, Ky.*—Todd Building, 4th and Market Streets, James T. Howington, district manager; *Nashville, Tenn.*—1015 Stohlgman Building, George S. Gillen, district manager; *Helena, Mont.*—Federal Reserve Bank Building, Oscar A. Baarson, district manager; *Knoxville, Tenn.*—Dyer Butterfield, district manager; *New Orleans, La.*—John A. Bechtold, district manager; *Oklahoma City, Okla.*—Federal Reserve Bank Building, C. F. Aurand, district manager.

Ignorance of priority rules may lead to violations, punishment, attorney warns

Ignorance of basic priority rules may lead to violations, and violations may lead to punitive action, Manly Fleischmann, chief attorney, Priorities Division, warned on October 15. He urged that every businessman and every attorney become completely familiar with Priorities Regulation No. 1.

Excerpts from Mr. Fleischmann's speech before the Practising Law Institute in New York City:

One of the most sweeping and important orders ever issued by the Director of Priorities—and also one of the most widely misunderstood orders—is Priorities Regulation No. 1.

Regulation No. 1 is a basic document. Among other things it requires manufacturers to accept defense orders. Therefore every businessman in the Nation should become familiar with all the terms of Regulation No. 1 so that he may be sure that he is operating in accordance with correct procedure.

Ignorance of basic priority rules and regulations may lead to violations, and violations may lead to punitive action against the violators.

Not free to accept or reject

American industry is no longer free to accept or to reject any order offered.

Any defense order (defense orders are defined in Regulation No. 1) must be accepted, whether it bears a preference rating or not, if the established price and terms of sale are met.

Orders placed by the Army or the Navy, or subcontracts going into such or-

ders or into other defense orders, are among those which must be accepted, even if this means deferment, curtailment, or complete elimination of less essential orders.

It should be understood that this requirement for the acceptance of defense orders cuts across and affects the entire American economy. It applies to manufacturers, processors, producers, wholesalers, and retailers, and covers every type of material, commodity, and product, whether or not there is a shortage in this product and whether or not the product is under any form of control.

Severe penalties possible

The fact that a plant or mill has a full schedule of civilian or lower rated orders does not authorize rejection of defense orders. Refusal to accept a defense order under such circumstances may result in severe penalties in the way of suspension of deliveries of scarce materials, withdrawal of priority assistance, and injunction proceedings. Similar penalties may attach to a failure to accord preferential treatment in the processing and delivery of defense orders after acceptance. In view of this required change in ordinary business methods, every American businessman and every attorney should become completely familiar with the provisions of Regulation No. 1.

Under authority of an act of Congress, no damages may be recovered for a default or failure to deliver which occurs as the result of the supplier's compliance with the foregoing rules and regulations.

Order limits deliveries of insulation board containing cork

Because of continuing shortages of cork, limitations were placed around deliveries of insulation board containing cork, in a recent order issued by Priorities Director Nelson. Only defense orders, and orders for food preservation purposes, may be filled with such board.

An interpretation of this order, M-8-a, was issued October 16 defining "insulation board to be used for the preservation of food" as that to be used in cabinets and other small cold storage boxes in which the temperature is to be maintained below 20° F., and cold storage rooms and "walk-in" boxes, in which the temperatures are to be kept below 40° F.

150 firms get A-10 rating on copper scrap for defense

Approximately 150 refiners, ingot makers, and other remelters of copper scrap and copper-base alloy scrap, who are producing efficiently, and who have a substantial volume of defense orders, are given the assistance of an A-10 rating in securing such scrap.

Scrap acquired with the assistance of the A-10 rating may be used only to fill defense orders. The rating may not be used to secure deliveries of scrap in quantities greater than necessary for the effective operations of the producer's plant in the production of these orders, or to secure earlier delivery than is required.

PRIORITIES...

Public officials to administer extension of ratings granted for highways

Following up the broad plan of assistance to highway construction outlined in a letter of intent addressed on August 30 by the Priorities Division to Thomas H. MacDonald, Commissioner of Public Roads Administration, Priorities Director Nelson made available October 18 Preference Rating Order P-19-e, which establishes control procedures for the assignment of priority assistance to approved road-building projects.

Since the issuance of the letter of intent, a number of orders granting preference ratings to individual projects have been issued under Preference Rating Order P-19-a, which is the device used for extending priority assistance to approved defense projects.

Responsible control provided

The new order sets up a somewhat different approach, whereby the preference rating is extensible in the first instance only by the Public Roads Administration or a State Highway Department. This is designed to provide control by a responsible public body, and to prevent unwisdom or unnecessary extensions of the rating.

The Priorities Division will issue to the Public Roads Administration, or to a State Highway Department, the original order extending preference ratings to a road-building project, which the Administration or Department has approved. The preference rating so assigned may be applied to deliveries to a contractor only by action of the Department or Administration, which will furnish one copy of the order to each of the suppliers with whom the contractor has placed a purchase order for material to the delivery of which the Department elects to assign the rating.

A supplier, in order to apply the preference rating to deliveries to him, must execute an acceptance of the order and file it with the Priorities Division, and furnish one additional copy of the order, signed in the same manner, to each of his sub-suppliers. The rating will be assigned deliveries, from the first supplier to a contractor, of all material and equipment necessary to a highway construc-

tion job, but in the case of orders placed by a supplier with a sub-supplier, the rating may be assigned only to materials which will be physically incorporated in the project.

Six classes of favored roads to the construction of which preference ratings may be granted were listed in the letter addressed to Mr. MacDonald by the Priorities Division. They were: Access roads to military and naval establishments, and to defense manufacturing plants; strategic highways; Federal-aid roads, and Federal-aid secondary, and National Park and Forest projects. In the last group were included projects for the construction and improvement of the Inter-American Highway, and for the construction of the Trans-Isthmian Highway and the Chorrera-Rio Hato Highway in Panama.

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Steel warehouses given a grace period

An amendment to Preference Rating Order M-21-b, which covers steel warehouses, was announced October 14 by Priorities Director Nelson, to assist those warehouses which have so far been unable to make satisfactory reports.

The original order prohibited deliveries after October 5 to warehouses which had not been assigned quotas on the basis of their reports of deliveries during the first quarter of 1941. Because many of the reports received by the Iron and Steel Branch, OPM, have had to be returned for correction, the warehouses which submitted them have not been assigned quotas.

The amendment extends the date after which such warehouses may not accept deliveries, from October 5 to October 31. The amendment, however, provides that no shipments are entitled to the A-9 preference rating established by Supplementary Order M-21-b, unless a quota and a rating certificate have actually been issued.

Priority aid granted makers of lift trucks for defense

Manufacturers of power-driven industrial lift trucks, widely used in lifting, hauling, and moving materials engaged in filling defense orders, are granted the assistance of an A-1-g preference rating in securing certain essential supplies, in an order announced October 14 by Priorities Director Nelson.

The items to deliveries of which the rating may be applied are listed in Exhibit A to the order. They include:

1. Iron or steel castings, and steel forgings.
2. Motors and other electrical accessories, including batteries.
3. Bars, sheets, plates, shapes, and sections, ferrous and nonferrous and nonmetallic.
4. Finished or semi-finished parts and accessories, including wheels and tires.
5. Gasoline engines and accessories.

Lift truck manufacturers may apply the rating only to deliveries of materials to be used in filling defense orders. Commercial motor trucks are specifically excluded from the terms of the order.

The order further stipulates that the rating must not be applied to deliveries of any item in exhibit A for which a substitute of other more available material may be used.

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Approval time lengthened for pig iron shipments

The 8 days provided for in Preference Rating Order M-17, between the filing by pig-iron producers of shipment schedules, and their approval or modification by the Iron and Steel Branch, OPM, has proved an insufficient period for proper handling, and an amendment to the order has been issued by Donald M. Nelson, Director of Priorities. The amendment calls for the filing of reports by producers on or before the 12th of the month, and provides that their return by the Iron and Steel Branch of OPM shall be made on or before the 25th of the same month.

The original order called for filing of reports on the 15th, and their return to the producer on the 23d.

Thousands of industries get defense rating for repair and operating supplies

Hundreds of thousands of the Nation's industrial plants, big and small, were granted the use of an A-10 priority rating to obtain maintenance and repair materials, in line with the recently expressed policy of the Supply Priorities and Allocations Board of keeping the economy in good running order.

The rating, granted by the Priorities Division of OPM, also can be used to obtain operating supplies (fuel, for example) which are used up in the manufacturing process.

Retail establishments are excluded, at least for the time being, because of administrative difficulties inherent in operating a maintenance and repair plan in the field. But, generally speaking, the sweeping order extends priority assistance to many others in all segments of the American economy.

The plan is set forth in an amendment to a previous order (P-22).

12 classes included

Those granted the use of the A-10 rating, which is a defense rating, include:

(i) any governmental unit;

(ii) any individual, partnership, association, corporation, or other form of enterprise engaged in one or more of the following activities or acting in one or more of the following capacities to the extent that it is so engaged or so acts:

(a) manufacturing, processing or fabricating;

(b) warehousing—maintaining warehouses for storage or distribution of any material;

(c) wholesaling—acting as a distributor of products sold to manufacturers, wholesalers, retailers, or other persons not consumers.

(d) charitable institutions—any charitable or eleemosynary institution which is recognized as such for purposes of the Internal Revenue Laws of the United States;

(e) carriers—urban, suburban and interurban common or contract carriers of passengers or freight by electric railway, electric coach, motor truck, or bus, including terminals; shipping—commercial carriers of freight and passengers by ocean, lake, river, or canal, including terminals;

(f) educational institutions (including vocational training);

(g) printers and publishers;

(h) radio—commercial broadcasting and communications;

(i) telephone and telegraph communication; including wire services;

(j) hospitals, clinics and sanatoriums;

(k) petroleum—discovery, development and depletion of petroleum pools.

Any plant or business qualified to use the rating can do so without making application for its use. If a manufacturer needs a repair part, for example, he simply places his repair order with a supplier and on the face of the order and all copies signs the following statement:

"Material for Maintenance, Repair, or Operating Supplies—Rating A-10 under Preference Rating Order P-22, as amended, with the terms of which I am familiar."

Orders must be accepted

This constitutes legal use of the rating. And, since the A-10 rating denotes a defense need, the order placed must be accepted by the supplier under the terms of Regulation No. 1. The supplier may extend the rating in the same manner if necessary to obtain materials going into the producer's order. Suppliers may use the rating for their own repair and maintenance needs, of course, if they are qualified to do so under the terms of the order.

The order emphasizes the fact that the rating granted cannot be used to obtain anything except maintenance, repair and operating supplies *as these are defined in the order*.

The phrasing of the certification to be placed on all purchase orders for such materials make it mandatory for those using the order to be familiar with *all its terms before using it*.

Safeguards against improper use

Certain stipulations are included in the order to prevent improper use:

1. Purchase orders for repair, maintenance and operating supplies must be made up separately from all other orders, if the rating is used.

2. The rating must not be used if the material can be obtained without a rating.

3. Producers using the rating may do so only to obtain materials in quantities which are not above certain 1940 levels as defined in the order; *Provided*,

however, That the Director of Priorities may permit larger quantities of materials to be ordered and used in proportion to any increase in operations over last year's levels.

4. Misuse of the plan may result in direct punitive action.

5. Utilities and mines covered by separate repair orders are not covered by the present order. However, the plan does apply to all other establishments previously covered by Preference Order P-22, which is now revised by the new plan.

Since the above is only an informal summary of the order's provisions, the full text of the order must be read and studied by all those who expect to use it.

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Order changed to make raw silk readily available for defense

With the twofold purpose of expediting the production of parachutes for Army and Navy and Weather Bureau use, and facilitating the resumption of certain essential operations in the silk industry, Priorities Director Nelson signed an amendment October 16 to General Preference Rating Order M-22, which on July 26, 1941, froze all supplies of raw silk.

Assigns A-10 rating

The amendment assigns an A-10 rating to contracts and orders placed by the Army and Navy and Weather Bureau for silk cloth, shroud lines, and thread; to orders for silk in any form required by a manufacturer to meet such orders, and to all orders for silk placed by the Defense Supplies Corporation.

To make certain that silk is readily available for defense needs, the amendment prohibits any further transfers of titles to stocks of raw silks, unless specifically authorized by the Director of Priorities.

Further prohibitions

Further prohibitions apply to processing of raw silk in any quantities, except as authorized by the Director of Priorities, and to the processing of thrown silk in excess of the amount processed by a manufacturer during the week ending July 26, 1941.

Except where inconsistent with the terms of the amendment, all the provisions of Priorities Regulation No. 1 apply to the new order.

Sperm oil, use doubled, is put under full control

All supplies of sperm oil, both crude and refined, were placed under full priority control October 16 by the Division of Priorities.

The control is provided in General Preference Order M-40. This order prevents deliveries of sperm oil except for defense purposes and also provides that any dealer holding in excess of 100,000 pounds of sperm oil on the effective date of the order shall set aside 30 percent of all stocks in a special pool out of which specific allocations can be made by the Director of Priorities. Such dealers are required to continue to set aside 30 percent of shipments received, for the same purpose.

Vital to defense production

Consumption of sperm oil during the first 6 months of 1941 was over 14,460,000 pounds, compared with consumption of only 13,500,000 pounds for the whole year of 1940.

Sperm oil is vital in defense production, its most important use being as a lubricant for breaking in motors. It also is used as a lubricant in making machine tools, in the rifling of guns, in tanning leather, and as a finishing agent in textiles.

Lighter, nondrying oils derived from petroleum can be substituted for sperm oil in a few of its uses, but in many of the important ones no satisfactory substitute has been found.

Affected by lack of shipping

While the rate of consumption for the first 6 months of this year is double that of 1940 lack of shipping has tended to restrict imports, the order states. While current market supplies do not constitute a sufficient reserve supply, users have considerable stocks on hand, which, under this order, will be the basis for a stock pile.

Main points of the order are:

1. Dealers holding more than 100,000 pounds shall set aside 30 percent of stocks on hand for allocation by the Director of Priorities and shall set aside a similar amount of each shipment received.

2. All defense orders for sperm oil not specifically assigned a higher rating are given a rating of A-10.

3. Dealers are required to deliver sperm oil only upon defense orders, subject to the provisions of Priority Regulation No. 1.

Extended program enables makers of heavy, medium trucks to order December steel now

A 1-month extension of the program to facilitate production of heavy motor trucks, medium trucks and truck trailers was announced October 12 by Donald M. Nelson, Priorities Director. The extension does not change the basic provisions of the program.

Although revisions of the program are under consideration, it is being extended to December 31 in its present form in order to permit manufacturers to place December orders for steel immediately. Manufacturers now are cut out of all December mill schedules.

The extension also applies to production of certain passenger carriers and necessary replacement parts. It means that during the period September 1 to December 31, producers may manufacture two-thirds the number of medium motor trucks, truck trailers and passenger carriers produced during the first half of the year, except that all trucks ordered for specific defense purposes, as defined in the order issued September 14, may be produced without limit.

No restrictions are placed on produc-

tion of heavy motor trucks which are carrying most of the national defense truck transportation load.

The extension also means that manufacturers of replacement parts may produce during the September 1-December 31 period 80 percent of the number of parts sold for replacement purposes during the first half year.

A 1-month extension also is provided for Limited Preference Rating Order P-54, which assigns an A-3 rating to materials going into heavy motor trucks (3 tons or more), medium motor trucks (1½ tons or more), truck trailers (5 tons or more), passenger carriers (motor or electric coaches with not less than 15 seats) and replacement parts as specifically listed in the September 14 order. The preference rating may be applied to purchase orders placed before December 1 and calling for deliveries prior to December 31.

The rating permits producers and their suppliers to obtain necessary materials and parts up to the maximum limitation as fixed in Limitation order L-1-a.

Latin-American copper mines get priority aid for supplies and materials

Faced with a crucial situation in copper, made worse by shipping difficulties between here and South America, the Priorities Division announced October 15 that priority assistance is being granted to Latin-American copper mines which are producing large quantities of the metal badly needed for defense purposes.

This assistance will enable the mines covered to obtain maintenance materials and operating supplies more rapidly.

Four companies operating mines in Chile and Peru are granted the priority aid in a new limited preference rating order, P-58. These companies now are producing copper at the rate of approximately 516,000 tons a year, almost all of which is under contract to the Metals Reserve Corporation for defense use in the United States.

In announcing the new move, Priorities Director Nelson pointed out that this form of assistance can be granted to other South-American copper mines if this is necessary to promote the defense of the Americas.

The new order has been granted to the Cerro de Pasco Copper Corporation, the Andes Copper Mining Co., the Chile Ex-

ploration Co., and the Braden Copper Co.

It permits these companies to assign a preference rating of A-3 to orders placed in the United States for supplies and materials which are to be delivered before October 1, 1942.

In addition, the order permits application of an A-1-d rating to orders placed by the mine operators before January 1, 1942 calling for deliveries before July 1, 1942, if material covered by these orders cannot be obtained with the lower A-3 rating.

The relatively high ratings are assigned not only because of the necessity of facilitating the flow of Latin-American copper to this country, but also because of the shipping difficulties and the necessity of synchronizing production schedules and delivery schedules with sailing dates.

An operator covered by the order may extend the ratings to his suppliers to speed up deliveries and the supplier, in turn, may extend the ratings to his own sources of supply if necessary to acquire material which will be physically incorporated in deliveries to the operator.

CIVILIAN SUPPLY . . .

Maximum passenger auto output for January cut 51 percent below same month of 1941

Passenger automobile production in January 1942 will be curtailed at least 51 percent below last January's output in a further effort to conserve steel and other scarce materials for national defense.

Announcement of the reduction was made after a meeting of the automotive defense industry advisory committee with Leon Henderson, Director of the Division of Civilian Supply of OPM, representatives of OPM's Labor and Contract Distribution divisions, and officials of other interested Government agencies.

Manufacturers will be limited to a maximum output of 204,848 passenger cars in January, compared with 418,350 in the same month a year ago. Mr. Henderson warned, however, that there is no guarantee that sufficient materials will be available to fulfill this maximum.

Cut for 6 months is 36.3 percent

The January curtailment, taken together with the 26.5 percent cut ordered for August, September, October and November, and the 48.4 percent reduction required for December, will result in an over-all curtailment of at least 36.3 percent for the first 6 months of the model year that began August 1.

Production for the 6-month period can be 1,228,065 cars, depending upon availability of scarce materials, compared with 1,928,517 during the corresponding period last year.

Large companies cut 55.1 percent

Under the January program, the larger companies—General Motors, Chrysler, and Ford—will have their production cut an average of 55.1 percent below the level a year ago. The other companies—Studebaker, Hudson, Nash, Packard, Willys-Overland, and Crosley—will be permitted an over-all 8 percent increase above January 1941 output, provided sufficient materials are available. In the latter group, only Nash and Willys-Overland were ordered to curtail production below last January.

The over-all increases in permitted output by the smaller companies results largely from seasonal fluctuations. Studebaker and Packard, for example, produced approximately 3,000 fewer cars

each in January 1941 than in December 1940. Crosley produced no cars in January 1941.

Conversion to defense

The Division of Civilian Supply has been advised of difficulties encountered by several manufacturers in obtaining

PASSENGER CAR ALLOTMENTS

(For Nonmilitary use)

Company	Allotments January 1942	Production January 1941	Percentage decrease in Allotments
General Motors Co.:			
Chevrolet.....	45,180	104,079	56.6
Buick.....	18,402	36,615	55.2
Pontiac.....	14,358	28,528	49.7
Oldsmobile.....	11,753	25,973	54.8
Cadillac.....	2,874	6,374	54.9
Total.....	90,567	201,569	55.1
Chrysler Corporation:			
Plymouth.....	25,184	52,118	51.7
Dodge.....	11,863	27,666	57.1
Chrysler.....	6,023	18,187	66.9
DeSoto.....	4,196	9,383	55.3
Total.....	47,271	107,354	56.0
Ford Motor Co.:			
Ford.....	32,307	59,057	53.2
Mercury.....	4,426	11,129	60.2
Lincoln-Zephyr.....	1,276	2,400	46.8
Total.....	38,009	82,586	54.0
Other motor companies:			
Studebaker.....	8,834	7,486	13.0
Hudson.....	6,478	5,814	11.4
Nash.....	5,500	6,946	20.8
Packard.....	5,771	4,470	23.8
Willys-Overland.....	1,944	2,116	8.1
Crosley.....	476	—	—
Grand total.....	204,848	418,350	51.0

¹ Increase.

certain types of steel to guarantee production up to current allotments. This situation, Mr. Henderson said, will be further complicated by rapidly increasing demands of vital defense industries for more steel and other scarce materials.

"I want to emphasize," Mr. Henderson said, "that we are not fixing production quotas for January. We are merely establishing a maximum limit to which the manufacturers can produce—if they are successful in obtaining sufficient materials.

"Every effort has been made, and will continue to be made, to divert automotive production activities to national

defense output. The manufacturers of passenger cars already are contributing, through the construction of tanks, heavy motor trucks, aircraft engines, and other weapons of war, to the protection of the United States. Further efforts will be required. I know that they will be forthcoming."

Aid for labor

OPM representatives, in cooperation with management and labor interests and various Government agencies, are seeking to alleviate labor displacement resulting from the automotive industry curtailment program. Already, thousands of automotive employees have turned from passenger car assembly lines to defense production within the same plants. The OPM's Labor and Contract Distribution divisions are cooperating to expand the number as soon as possible.

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Refrigeration industries questioned on saving materials

A questionnaire covering the commercial refrigeration and air-conditioning industries will be sent out shortly to ascertain where vital defense materials may be saved in those industries.

The questionnaire is being prepared by the refrigeration unit of the Electrical Appliances and Consumers Durable Goods Branch of the Division of Civilian Supply, and is designed to cover all products of the industries.

Among the products to be surveyed are condensing units, compressors, display cases and coolers, water coolers, beverage coolers, ice-cream cabinets, reach-in refrigerators, beer-cooling equipment, cooling coils of all kinds, and unit air conditioners.

Information will be requested on inventory, production, and materials, as well as distribution channels.

Manufacturers of commercial refrigeration and air-conditioning equipment, particularly the smaller members of the industry, are urged to send requests for the questionnaire to the refrigeration unit, which is under the direction of Henry A. Dinegar.

Advance in list price of tires permitted because of costs

Tire manufacturers have been notified by the Office of Price Administration that no objection will be raised to advances in consumer list prices on tires and tubes of not more than 9 percent over June 16, 1941 levels, Administrator Henderson announced October 11.

However, manufacturers will be required to clear their new schedules of list prices with OPA before issuance so that the increase will not become effective until around October 20. Action was taken as a result of higher costs for rubber, cotton, other materials, and direct labor. Extent to which the increase will be reflected in prices paid by consumers is uncertain since ordinarily they purchase at varying discounts below list prices.

The advance in consumer list prices for tires will increase average wholesale prices received by manufacturers from 11½ percent to 13½ percent, depending upon the discount schedule of the manufacturer. These latter figures include advances of 5 percent in wholesale prices approved by OPA late in July.

Manufacturers will be required to maintain all discounts in effect June 16, unless changes are approved by OPA. Federal excise taxes will be shown as separate additions to list prices.

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1,603 defense homes completed in week, Palmer announces

Charles F. Palmer, Coordinator of Defense Housing, announced October 15 that 1,603 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending October 11, making a total of 42,286 now ready for occupancy.

With 700 homes going into construction during the week, the total of publicly financed homes completed or now being built reached 93,409.

Federal funds have already been allotted for 121,885 defense homes.

FHA-inspected privately financed homes started during the week, totaled 4,182. Since January of this year, 170,480 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,578.

Defense to take 30 percent of paper; McKenna outlines steps to produce, save

Government and industry must work together in the coming year to solve the problems resulting from consumption in defense activities of 30 percent of the Nation's available paper supply, Norbert A. McKenna, chief of the pulp and paper branch and acting chief of the printing and publishing branch of the Division of Civilian Supply, said in an address in Chicago October 14 before the Inland Daily Press Association.

Mr. McKenna said that with the national defense picture changing from month to month, he could not accurately forecast future defense requirements. He stated, however, that there seemed to be no imminent shortage of newsprint unless an unexpected demand from other types of paper and paperboard should absorb the excess capacity still existing in Canada.

Urges equitable distribution

Newspapers, magazines and other users of paper can help the Government in its efforts to conserve paper and make sure that available supplies are distributed on an equitable basis so that business enterprise and jobs are maintained, he said.

Mr. McKenna said in part:

"It is our problem and it is your problem next year to meet this shortage occasioned by the consumption of 30 percent of the available paper supply by defense. Perhaps we will be successful in so stepping up our defense efforts that more paper will be needed. If the war lasts, and well it may, we may have to give up a large number of our employees to direct defense industries and we may have to give up a considerable portion of railroad cars usually available to us to the transportation of defense products.

"We of the OPM challenge you to form a gigantic 'V' for victory in our battle on the home front. On one side of that 'V' we will mobilize your producing industries by forming hard-working industry advisory committees of the best men available from management and labor. On the other side of the 'V' we will organize consuming industries in the same way.

Greater production sought

"From the producing side we will derive recommendations as to how more reams of paper can be produced from the same ton of pulp. From the consuming side, we will obtain recommen-

dations as to how paper can be more conservatively used.

"For instance, we may give the newsprint industry advisory committee the problem of recommending to us the establishment of certain production practices and standards which shall produce the most reams from tonnages the volume of which have been diminished by labor and transportation shortages.

"We must provide the maximum number of printable units to your industry in order that the public be served and speech be free. We then give your industry advisory committee consisting of J. S. Gray of the Monroe Publishing Co., Monroe, Mich., Fleming Newbold, Evening Star Newspaper Co., Washington, D. C., Paul G. Strombert of the Ellicott City Times, Ellicott City, Md., and S. E. Thomason, The Chicago Times, Chicago, Ill., the problem of recommending to us how those reams can be distributed most equitably over publishing use.

"The solution may require the trimming of margins, reduction in number of pages, elimination of overdeliveries, elimination of nonessential uses of newsprint. Your industry and your committee can help solve the problem. We must be sure the solution is effective and equitable. Above all, the purpose must be to provide paper for every newspaper equitably so that proprietorships and jobs are maintained.

"We may issue orders from time to time establishing practices in the production and use of paper, but first we will seek your advice. These orders will fill defense needs first and at the same time so equitably distribute paper as to maintain the continuity of your businesses and your jobs."

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Zinc pool changed

Producers of zinc, zinc oxide, and zinc dust from secondary materials, under toll agreements, are exempted from setting aside any of these materials for pool uses, in an amendment to General Preference Order M-11, announced October 16 by Priorities Director Nelson. Galvanizers who redistill zinc dross or skimmings for their own use are still subject to the pool requirements.

The amendment also shifts from the processor to the owner of the materials, the obligation of setting aside a portion of zinc produced from primary materials under toll agreements.

ALLOCATIONS BOARD . . .

Allocation to small industry as a class impossible pending over-all plan—Browning

Allocations of scarce materials to small industry as a class pending an over-all program has been found impossible, Albert J. Browning, special assistant to the executive director of the Supply Priorities and Allocations Board, said on October 15. He told a joint meeting of the National Hardware Manufacturers' Association and the National Hardware Jobbers' Association that the solution is to determine how much of a critical material will be set aside for civilian use, and then to divide the quantity among industries and individuals within the industries.

Excerpts follow:

Several weeks ago Mr. Nelson assigned me the job of trying to develop some plan that would screen out the small manufacturers in such a way that we could give them at least part of what they need, pending the completion of an over-all program. It soon became apparent that this was an impossible job. Some unified method of approach to the whole problem has got to be found.

Now it seems to me to be clear that if you are looking for a total solution you have got to come to an allocation program whereby some proportion of critical materials is set aside for general civilian use.

A double problem

That of course implies recognition of the fact that, regardless of defense needs, there are certain minimum quantities of these scarce materials which our civilian economy *must* have. And when we have recognized that fact, it becomes obvious that the place to start is at the bottom with the raw materials themselves.

The problem then becomes a double one: First, how much of any critical material are you going to set aside for civilian use, and, second, of the quantity that you have so set aside, which industry and which individuals within the industry get how much? In other words, there is first the problem of allocation and then the problem of distribution.

That means a specific restriction in the operations of each industry to a minimum economic level. It means the same thing *within* the industry: a specific restriction on the operations of each individual company.

That is a harsh method, but it is not new. It is the method which was finally arrived at—in Germany, in England, and in the United States—during the last war. Let me quote a few paragraphs from a statement issued by the Fuel Administrator during the severe shortage of coal which developed in this country in January 1918:

"Committees representing the large industries not engaged in war work—more than 100 in all—will be called into conference with officials of the Fuel Administration. They will be shown the amount of coal available for all purposes, the amount required for war purposes and domestic consumers, and the total curtailment of the use of coal which must be effected to satisfy these demands. They will be asked, on patriotic grounds as well as for their own future interest, to volunteer in behalf of their industry a reduction of coal consumption for the year 1918. They will be asked to show the Fuel Administration the best method of accomplishing this curtailment. They will also be asked to advise the Fuel Administration as to how to arrange these restrictions so as to affect only the less essential portions of their own business if possible."

I wish you would pay particular attention to the next couple of paragraphs from that 1918 statement; they are of direct interest and application today . . .

"It is believed that the operation of this plan of voluntary conservation on the part of non-war industries will forever lay the ghost of the 'cut off the non-essential industries' agitation which has been going on since the United States entered the war, and automatically will balance the relation between the production and consumption of coal and prevent any repetition of the present shortage."

"Indefinite threat of annihilation"

"These industries, sometimes mis-called 'nonessential industries,' it is pointed out, are the backbone of the country's economic system. They employ ten million workers and from them must come the taxes and bonds which will pay for the war. These industries have never objected to any curtailment of coal or material or men which could be shown to be necessary to win the war. It was the indefinite threat of annihilation by

restrictive orders which during the last two or three months has alarmed the leaders of business and finance."

How familiar that sounds today—that "indefinite threat of annihilation"! If you will bear with me, I would like to continue just a little farther with a reading from that 1918 report:

"The percentage of reduction asked of the different industries by the Fuel Administration will, of course, vary, partly upon advice of the leaders of the industry, as to what is practicable and safe shrinkage as compared with the great business activity of 1917; partly, also, it will vary with the character of the business. In proportion as an industry contributes less to the war of domestic necessities, it will naturally increase its contribution of self-limitation."

Applied to many industries in 1918

Later in 1918 that same principle was applied to many industries. For the last six months of that year passenger car production was limited to 25 percent of 1917 production. The manufacture of boilers and radiators was restricted, for the final quarter of 1918, to 40 percent of production in the final quarter of 1917.

The path charted then, it seems to me, is the sort of path we must follow today.

Although the details of such an over-all program have not yet been agreed upon, the general thinking in Washington now is that from careful studies of materials used by each industry, a total figure, for each scarce material, can be developed. When such a figure is settled upon, it will then remain to add to it the total military requirements for that particular material. When the sum thus reached—civilian demand plus military demand—is larger than the total available supply, as it will be in the case of all of these critical metals, the obvious next step will be to cut down the amount available for civilian industry.

I believe that it is clear, however, that if you are going to restrict the amounts of a raw material which the different industries may have, it is necessary to curtail operations at the finished goods end.

One more question remains: How long is all of this going to last? The length of this emergency depends on how fast we get the job done.

We can put up with a lot of relatively mild shortages and restrictions for 5, 10, or 15 years, if we want to. Or we can take a big dose and get it over with quickly.

CONTRACT DISTRIBUTION . . .

Biddle approves preliminary talks for contract collaboration, when asked by OPM

Preliminary conferences by companies wishing to pool their resources for defense contracts will not be regarded, under certain conditions, as violations of the antitrust laws, Attorney General Biddle said on October 4. Text of his letter to OPM General Counsel John Lord O'Brian follows:

In a letter dated September 30, 1941, you have asked for an expression of my views relating to action, which it may be desirable or necessary, for certain manufacturing units to take for the purpose of securing contracts and keeping their plants in operation throughout the present emergency. You state that many manufacturing concerns, particularly those which are of "relatively small size," have been hampered in obtaining materials necessary to carry on their business and that "serious dislocations of both labor and production have resulted." You point out that many of these units, either because of their size or their inability to make changes in their productive equipment, are unable singly to bid for Government contracts or to obtain subcontracts with prime contractors. You also point out that in many cases these units can secure contracts only if they collaborate with each other and pool their facilities and experience, and that in connection with this effort it will probably be necessary for them to hold preliminary conferences for the purpose of discussing the details of this collaboration. I understand that in some cases the dislocations which have resulted from the defense program involve larger units of industry, and that some units of this kind likewise may wish to hold preliminary conversations and conferences looking toward some plan of collaboration or cooperation. In all the cases, however, to which you refer in your letter, I assume that the collaboration or cooperation proposed is the kind of action contemplated by the Executive Order of the President, dated September 4, 1941. You raise the question whether preliminary conferences and discussions of the kind described in your letter will violate the antitrust laws.

I assume that these conferences will be carried on pursuant to the written

request of the Office of Production Management. I make this assumption because of the statement in your letter that "conferences held pursuant to the written request of the Office of Production Management" would not appear to violate the antitrust laws. Preliminary discussions and conferences of the kind described in your letter of September 30, 1941, carried on in good faith in compliance with the following conditions will not be viewed by the Department of Justice as constituting a violation of the antitrust laws and no prosecutions will be instituted therefor: (1) The discussions will be carried on pursuant to the written request of the Office of Production Management; (2) when a particular plan for collaboration or cooperation is formulated, the plan will be submitted to the Department of Justice in accordance with the procedure outlined in the letter of the Attorney General addressed to you and dated April 29, 1941; and (3) no action will be taken by those participating in the discussions unless the action is strictly within the limits of a plan which has been approved by the Office of Production Management and submitted to the Department of Justice. The legality of these preliminary conferences and discussions depends largely upon the nature of the action which follows. For this reason, the Department of Justice must necessarily reserve freedom of action, as it did in the letter of the Attorney General addressed to you and dated April 29, 1941, to institute civil actions to enjoin the continuing of discussions and practices which have been found not to be in the public interest and which have been persisted in after notice to desist.

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"Dollars for Democracy" pamphlet released by OEM

"Dollars for Democracy," a pamphlet describing the growth of the Nation's defense appropriations, the effects of our expenditures for defense on the national economy, and the ways in which we will raise the money, was released October 20, by the Division of Information, Office for Emergency Management.

Talon plant, short of copper, certified for defense work

The Office of Production Management has certified to the War Department that Meadville, Pa., faces severe unemployment because of shortage of copper alloy for slide fasteners and that defense work should be placed in the plant of Talon, Inc., manufacturer of such fasteners, to the fullest practicable extent.

The principal industry at Meadville is the plant of Talon, Inc. For a number of years this firm has provided approximately 55 percent of the total manufacturing employment in the community. In July 1941 salaries and wages paid to its 5,219 Meadville employees represented approximately 68 percent of all factory pay rolls there.

The company has already been forced to lay off 841 men in August and further curtailment of its employment will have a most serious effect in the community.

Noting that Talon's workers are of a high caliber and capable of being trained for other than their normal work, the OPM recommended a remedial program that includes the negotiation of contracts for gages, fixtures, jigs, and small parts of other articles needed for defense purposes.

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Kenosha area gets contract to avert unemployment

The War Department placed an additional defense contract in the Kenosha-Racine area of Wisconsin October 15 after certification by OPM that the area is faced with severe unemployment due to shortages of material for nondefense production.

As a result of the certification, officials said, the Quartermaster Corps awarded the Nash-Kelvinator Co. a contract for 1,028 one-ton cargo trailers at a cost of approximately \$225,000. Production is to begin immediately.

The award will provide partial relief from "priorities unemployment" in the Kenosha-Racine area.

The OPM certified the area for special consideration in the placing of defense work on the basis of an investigation by its Labor Division as to the employment situation there and a study by the Contract Distribution Division as to production possibilities.

CONSERVATION . . .

Conservation Bureau combines OEM efforts to avert waste of vital materials

Under the direction of Lessing J. Rosenwald, former chairman of the board of directors of Sears, Roebuck & Co., a newly organized Bureau of Industrial Conservation will inaugurate a concerted, carefully planned attack on all aspects of industrial, consumer, and governmental waste throughout the Nation, the Office of Production Management announced October 14.

The bureau is a part of OPM, and plans have already been mapped out for the fullest utilization of the facilities of existing Government agencies with experience in the general field of conservation.

To save every possible pound

The primary purpose of the new unit is to assure the saving and salvage of every possible pound of usable material which previously has been wasted and to direct such so-called waste materials into national defense channels. It is expected that the conservation program may well forestall or aid in preventing shortages of materials needed in essential aspects of the civilian economy.

Coordinated in the program of the bureau will be conservation efforts formerly sponsored by the Conservation Section of OPM, the Government Conservation Branch of the Division of Purchases of OPM, and certain units of the former Office of Price Administration and Civilian Supply. The widespread and varied field of conservation, specifications, salvage and simplification of design will thereby be centered in one unit.

Need for central organization

Although considerable progress toward this end already had been achieved by the several groups which are now merged, the importance the work has now assumed made it desirable that it be coordinated through one central organization.

Avoidance and elimination of waste and the unnecessary use of vital raw materials represents an important phase of the effort of SPAB to meet all legitimate military requirements first, while keeping essential civilian economy in such working order that emergency dislocations may be minimized and an ultimate

return to normality may be made less difficult.

The Bureau of Industrial Conservation will operate along several broad lines, including revision of Government specifications; avoidance of waste in industrial practices; promotion of the use of substitute materials where they are available; stimulation of the collection of salvage; simplification of service and manufactured goods, and the general elimination of all nonessential uses of materials in which shortages exist or may be imminent. In undertaking its program, the Bureau is seeking the cooperation of State and municipal governments, representatives of affected industries, and the general public. It will also call upon the resources and personnel of several Government agencies such as the National Bureau of Standards, which has offered full support and cooperation. The Bureau will work as frequently as possible through the commodity branches of OPM and with defense industry advisory committees.

McConnell heads engineering board

An important liaison with the engineering profession and with industry itself has been made possible by the formation of the Engineers' Defense Board. Robert E. McConnell, a mining and metallurgical engineer who served as chief of the former Conservation Section of OPM, will be chairman of the new board, which is to include ranking members of the six engineering societies—civil, mechanical, chemical, electrical, automotive, and mining and metallurgical. Mr. McConnell will also serve as engineering consultant to OPM.

The Bureau of Industrial Conservation also will work closely with the Consumer Division of the OPA, headed by Miss Harriet Elliott. Miss Elliott will continue her work with the American Standards Association, which is made up of technical experts capable of advising on the feasibility of proposed changes in consumer products.

Many savings already made

Savings already provided for through simplification, revision of specifications, salvage, and the avoidance of unnecessary uses of materials, include: Savings of between 8,000 and 9,000 tons of tin

per year by reducing the thickness of tin plate on cans, eliminating tin coating on certain types of containers and cutting out certain nonessential uses of tin cans; savings of 225,000 tons of shipping space for the import of strategic materials from the Far East by reduction of imports of tapioca and ilmenite for which substitutes have been found; institution of simplification programs for several industries such as those producing bicycles and refrigerators; cooperation given industries such as steel and automobiles to reduce the varieties of products offered and eliminate the use of materials for nonessential trim and decorative purposes; campaigns inaugurated for an increase in the wrecking of old automobiles, etc., etc.

Federal specifications revised

In addition, the Government Conservation Branch of the Division of Purchases, collaborating with the Federal Specifications Executive Committee, has revised nearly seventy Federal specifications, including those for flat tableware, laundry and refrigeration equipment, certain phases of cantonment and defense housing construction, fire-fighting equipment and many articles containing silk. This has resulted in far-reaching savings of such critical materials as aluminum, copper, zinc, brass, nickel, chromium, tin, and rubber.

Further savings of these and other important materials will be sought along the lines indicated by the Bureau of Industrial Conservation working through the cooperating agencies and the various commodity branches. The Bureau will depend upon the latter to carry the principal responsibility for determining the need for conservation and for advice as to the most practical methods of achieving it.

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Oppenheim named executive assistant to Rosenwald

Appointment of Burton E. Oppenheim as executive assistant to Lessing J. Rosenwald, chief of the Bureau of Industrial Conservation, was announced October 16.

Mr. Oppenheim is on temporary loan to the Bureau from the Department of Labor, where he was director of the industry committee branch of the Wage and Hour Division.

PRICE ADMINISTRATION . . .

Cuts in ceilings on aluminum scrap and secondary ingot to be 1 to 3 cents a pound

Reductions ranging from 1¢ to 3¢ a pound in ceiling prices for aluminum scrap and secondary ingot, and specific premiums for shipments of scrap in quantity, will be contained in the forthcoming amendment to Price Schedule No. 2, OPA Administrator Henderson announced October 15. The amendment will be issued within the next 2 weeks.

As previously announced, the revised prices will go into effect on November 1, one month after the reduction in the price of virgin aluminum from 17¢ to 15¢. This waiting period is designed to give the trade an opportunity to adjust inventories. It can be expected, the administrator said, that both dealers and smelters will offer somewhat less than the old ceiling prices for scrap even in advance of the new amendment's effective date.

Quantity differentials

Introduction of quantity differentials on scrap eliminates the distinction between maximum "maker" and "dealer" selling prices in the present schedule. The amendment will provide a set of scrap prices applicable to sales by anyone, whether maker or dealer, in lots less than 1,000 pounds.

On deliveries of 1,000 to 20,000 pounds by truck, or on deliveries of amounts between 1,000 pounds and the minimum carload lot, if shipped by rail, a premium of 1¢ a pound is allowed on all grades except old pistons and cast and forged scrap. For these latter types a premium of only ½¢ a pound is provided.

For all types of scrap an additional ½¢ premium will be permitted on deliveries of over 20,000 pounds if shipped by truck within a 3-day period, or on deliveries in minimum carload lots if shipped by rail. These premiums may be applied to a total shipment made up of various grades of aluminum scrap. They are not applicable to shipments of aluminum mixed with other metals, except insofar as the segregated portion of the shipment qualifies by weight for the additional charge.

Reductions vary

Variations in the amount of the reductions in scrap and ingot prices reflect the experience accumulated by OPA during several months of the schedule's opera-

tion as well as changes in market conditions since the schedule was originally announced on March 24, 1941.

"Obsolescent" scrap is being reduced less than 2¢ a pound in order to encourage collection of the maximum amount of this material. For example, old sheet and utensils and pistons are being reduced by 1½¢, and old cast and forged scrap by 1¢. On the other hand, the ceilings on certain types of "plant scrap," notably turnings and borings and pure clips, are being lowered by 3¢ a pound to bring them into proper relationship with other scrap prices under current market conditions.

Three grades of secondary ingot will be lowered a flat 2¢, one will be cut 1½¢, and the other will be lowered 3¢. Deoxidizing aluminum ingot is being reduced from 16½¢ to 13½¢ to allow for the fact that this material today has considerably lower aluminum content than when the original prices were issued last March. Number 12 ingot, a secondary casting material, is reduced by 1½¢ to permit smelters to absorb the new price on old castings and forged scrap, which will be cut by only 1¢.

The revised schedule will contain only one classification for turnings and borings, eliminating the former classification of "No. 12 type borings and turnings." There will be only two classes of clips: namely, "pure clips" and "alloy clips, either mixed or segregated."

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Duty on Canadian paperboard may be added to delivered price

Import duty on paperboard brought in from Canada may be added to the delivered price by buyers in the United States, even though this results in a total cost which exceeds the maximums established in the paperboard price schedule, OPA Administrator Henderson ruled October 1.

In no event, however, the administrator added, shall the delivered price exceed the ceiling prices set in the schedule, plus the actual amount of the import duty. Importers of Canadian paperboard are required to show the import duty as a separate charge in their invoice records.

Scrap ceiling can be relaxed to tap supplies abroad

Authority to import iron and steel scrap from any foreign source at prices exceeding the established maximums will be granted to steel plants and foundries under certain conditions, OPA Administrator Henderson announced October 13.

At the same time, OPA issued an amendment to the scrap schedule setting up Cincinnati as a basing point for scrap of railroad origin.

In the case of higher-than-ceiling imports, Mr. Henderson stated, buyers first must apply to OPA for permission, furnishing complete details of the proposed transaction. If authority is given and the scrap brought in, the buyer then must supply OPA with certified copies of the bills of lading.

Inquiries from steel plants indicate that scattered supplies of scrap are available for purchase in Cuba, Mexico, and Central and South America.

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318,000-ton boost recommended in Republic alloy steel capacity

Increase of 318,000 tons annually in the electric alloy and stainless steel ingot capacity of the Republic Steel Co. plant at Canton, Ohio, for the manufacture of aircraft forgings and armor plate for tanks was recommended October 16 by the Office of Production Management.

OPM Director General William S. Knudsen made the recommendation to the Defense Plant Corporation of the RFC, on the basis of a report by W. A. Hauck, steel consultant.

An increase of 1,000,000 tons in electric alloy ingot capacity is urgently needed, the report said, as well as finishing plants to manufacture hardened steels for aircraft, tank armor, shells and machine tools if the defense production program is to continue at high speed.

The proposal calls for five 50-ton electric furnaces and necessary supplementary equipment. It was estimated the plant can be in operation within 5 or 6 months, if the necessary priority ratings are granted.

Scrap and secondary slab zinc prices moved up, put on shipping point basis

Zinc scrap and secondary slab zinc prices are adjusted upward, all scrap prices are placed on a shipping point basis, and premiums are established for scrap shipments in quantity in an amendment to Price Schedule No. 3, announced October 18 by OPA Administrator Henderson.

Increases in the scrap and secondary metal ceilings reflect the advance from 7.25 cents to 8.25 cents a pound in the price of primary zinc allowed previously by OPA to maintain and stimulate production of this vital defense metal, Mr. Henderson explained.

The administrator pointed out that, with the current revision, all OPA price schedules for nonferrous scrap metals use the f. o. b. shipping point basis. All purchasers of scrap, wherever located, thus are afforded an equal opportunity to compete for supplies. This was not always possible when ceiling prices were on a "delivered" basis, because of the difference in transportation costs.

Maximum prices for various grades

As revised, the schedule sets up maximum prices for the various grades of scrap as follows:

(F. o. b. point
of shipment,
per pound)

New zinc clippings and trimmings.....	7.25¢
Engravers' and lithographers' plates.....	7.25¢
Old zinc scrap.....	5.75¢
Unswaged zinc dross.....	5.80¢
Die cast slab.....	5.80¢
New die cast scrap.....	4.95¢
Radiator grilles, old and new.....	4.95¢
Old die cast scrap.....	4.50¢

To these maximums, the schedule provides, may be added a premium of $\frac{1}{2}$ ¢ a pound on any shipment at one time of 10,000 pounds or more of new zinc clippings and trimmings, engravers' and lithographers' plates, and old zinc scrap, or any combination of the three. A similar $\frac{1}{2}$ ¢ premium is permitted for any shipment at one time of 20,000 pounds or more of new or old die-cast scrap and radiator grilles, in any combination thereof. No premiums for quantity shipments are provided for galvanizers' dross or die cast slab.

Advantage of large quantities

The new quantity premiums, Mr. Henderson stated, are designed to make it easier for large scrap dealers to handle zinc material and to perform the essential functions of sorting, cleaning, grading, and assembling in quantity lots.

Exact comparison of the old and new scrap prices is not feasible, the administrator said, because of the change-over to a shipping point basis in the case of three grades and because of the new quantity premiums. Mr. Henderson explained that the new schedule embodies some readjustments in the relationships between the prices of the various grades, which were arrived at after careful study by the OPA staff.

Maximum prices of the several grades of secondary slab zinc are advanced a flat 1¢ a pound by the amendment. The base delivered price is established at 8.25¢ a pound for Prime Western or poorer grade, plus carload freight from East St. Louis to the buyer's customary rail receiving point.

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Ceilings to be put on all forms of rayon yarn

Maximum prices will be established for all forms of rayon yarn as result of the action of a leading maker of acetate yarn in raising prices beyond levels which the Office of Price Administration had previously determined to be reasonable, OPA Administrator Henderson announced October 16.

The ceiling will be imposed at levels which reflect the moderate advances made in mid-September. These increases were made with the full knowledge of OPA, but Mr. Henderson warned at that time: "Should prices rise further we are prepared to take immediate action."

About 10 days ago, a large producer of acetate rayon yarn announced a new list of prices which went well above levels prevailing after the mid-September rise. Attempts by OPA to have the higher price list withdrawn have not been successful. It therefore has become necessary to issue a formal price schedule covering acetate, viscose and cuprammonium yarns, Mr. Henderson said.

"Rayon yarns are the raw material for all forms of rayon fabrics, both printed and knitted," the administrator added. "Rayon greige (grey) goods already are under a price ceiling. Obviously, this ceiling and the price structure for all rayon fabrics would be seriously disturbed by any further advances in the prices for rayon yarn."

Ceilings on pulp depend on results of further study

Further investigation of the factors behind the recent increases in contract pulp prices announced by three leading producers is being undertaken by the Office of Price Administration and the outcome of this investigation will determine whether or not a schedule of maximum prices should be imposed, OPA Administrator Henderson announced October 14.

At a meeting with pulp producers on October 10, agreements were obtained with all but three companies not to exceed over the remainder of 1941 the prices that generally prevailed during the third quarter. West Virginia Pulp & Paper Co., which previously had proposed to raise the price of soda pulp by \$4 a ton, withdrew the increase and joined with the other manufacturers in the voluntary stabilization plan.

Container Corporation of America, St. Regis Kraft Co., and Eastern Corporation, which also had announced higher prices, agreed to submit detailed data to justify their action at a series of individual conferences. Upon completion of these conferences and study of the data thus acquired, the Office of Price Administration will arrive at a decision as to whether a formal schedule of ceiling prices is necessary.

Prices on leading grades

The leading grades of pulp covered by the voluntary agreements and the maximum fourth quarter prices follow: Bleached sulphite, bond and book, \$72.50 a ton ex dock Atlantic seaboard; prime unbleached sulphite, \$63.50 a ton, ex dock Atlantic seaboard; soda pulp, \$66.00 a ton delivered; bleached Southern and bleached Northern kraft, \$82.50 a ton, ex dock Atlantic seaboard; and ground wood, \$40 a ton delivered. These are representative of contract prices charged during the third quarter.

In the case of unbleached Northern and Southern kraft, each producer agreed not to exceed contract prices for the September quarter. In respect to all other grades of pulp, the differentials that prevailed during the third quarter will be retained throughout the remainder of 1941. Export prices, according to the understandings, will not exceed those charged during the September period.

Unless it becomes necessary to issue a formal schedule of maximum prices beforehand, OPA plans to call a meeting of pulp producers in December to discuss the price situation.

News for Retailers

Attorney General Approves Program to Simplify Products

The simplification and standards program of the Consumer Division, OPA, designed to promote the conservation of scarce materials and consumer protection during the emergency has been approved by Attorney General Francis Biddle, OPA Associate Administrator Harriet Elliott announced October 13.

The Consumer Division standards program with respect to household appliances and other consumer goods is concerned with minimum standards of performance, safety standards, minimum specifications for materials and products, reduction in number of styles and models, uniform terminology, methods of testing effectiveness and methods of rating capacity or service of appliances.

In accordance with an agreement between the offices of the Attorney General and Price Administration last April, proposals for industry-wide action originating with OPA or OPM and in the interest of national defense are cleared with the Attorney General to see that they are not in conflict with the antitrust law enforcement policy of the Department of Justice.

Protection for Consumers

In requesting Department of Justice approval, OPA outlined the program as follows: "This Office, through its Consumer Division, is now prepared to assist manufacturers, distributors, consumers and others in adopting a program of simplification and standardization of various lines of products. This is desirable in view of the shortage, present or impending, of many important raw materials. It is important, particularly during a period of price rises and possible quality changes, as a means of protecting consumers who are generally unfamiliar with product differentiation and nomenclature. And it will be essential in view of the growing importance of price ceilings set by this office and of the difficulty of formulating and administering such ceilings when an industry turns out an unnecessarily large variety of sizes, styles, and qualities."

The standards section of the Consumer Division invites representatives of the standards formulating bodies, manufacturers, distributors, consumers, defense agencies, and other Government

departments to examine current practices and advise on recommended emergency standards for a commodity. Where found advisable, the Office of Price Administration will request the industry to put the recommendations into practice.

Exploratory Meetings Under Way

Exploratory meetings of this sort are already under way on domestic washing machines and ironers, refrigerators, furniture, electrical appliances, textiles, cooking stoves and ranges, and automobiles.

Text of Attorney General Biddle's letter to OPA follows:

"I have your letter of September 25, 1941, in which you request my approval of a course of action which the Office of Price Administration proposes to take in order to effect the simplification and standardization of various lines of products.

"I understand that in the opinion of the Office of Price Administration this program is a measure necessary for the national defense and that it will be carried out in the manner described in your letter and in compliance with the terms of the letter which Attorney General Jackson sent to Mr. Henderson on April 29, 1941. I approve the general character of this action and in my view it will be subject to the antitrust law enforcement policy of the Department of Justice which is described in Attorney General Jackson's letter to Mr. Henderson of April 29, 1941."

Cost of Bread Distribution Being Studied

A program for reducing unnecessary costs in the baking industry is under way, it was indicated last week by Harold B. Rowe, head of the Food Section, Office of Price Administration, in an address before the annual convention of the American Bakers' Association in Boston.

Pointing out that the baking industry had been among those in which good progress has already been made toward a better, yet cheaper product, Mr. Rowe commented that contacts of the Food Section with the baking industry indicated that the industry itself realizes that there are further possibilities along this line.

"Among the present practices in the bread industry, for example," he said, "is consignment selling, with stale bread re-

turned to the baker. This adds to your costs, and many of the bakers with whom we talked seemed to feel some modification of this practice would enable them to handle bread more cheaply. Yet the information which we have received is not sufficiently comprehensive to make possible a reliable appraisal of the effects of consignment selling, and competition in the industry is of such character that an individual operator can do little in the way of eliminating the practice. Hence we suggested that the Federal Trade Commission make an investigation of this and other practices of the industry, with a view toward helping you eliminate those methods and features of your business which are uneconomic. As the commission goes along with its study, I am sure it will welcome your opinions and suggestions."

In regard to the conservation of scarce materials, a matter closely related to the problem of effecting operating economies, the Food Section head pointed out that OPA was working closely with the Office of Production Management's Division of Purchases, directed by Douglas MacKeachie.

"In this connection," he said, "Mr. MacKeachie tells me that one of the first problems which his division will want to have brought before the baking industry committee, is that of securing the adoption of strict conservation and simplification methods in regard to the use of wrapping materials, particularly in the packaging field."

Mr. Rowe emphasized the importance of food as a major factor in the cost of living for the average family, stressing the increasing food prices as stimuli for wage increases.

The Food Section executive cited the action taken by the Office of Price Administration to keep ingredient costs down, mentioning the schedule which has been effective in checking an advance of sugar prices, and the fats and oils schedule designed to prevent speculative forward purchases with resulting price spirals.

In connection with the latter schedule, Mr. Rowe stated that OPA would shortly announce a modification of the part of the schedule prohibiting guarantees against price declines. The revised schedule will allow price guarantees on the unshipped balance of bookings to be extended 30 days from date of sale, will eliminate the cancellation of shortening bookings, and will provide that quantities booked be taken out within 30 days from date of order unless special application is made under the hardship clause.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Individual farmers don't need ratings to buy their ordinary equipment

The Department of Agriculture has pointed out that individual farmers are not required to have priority ratings of any kind under the defense program in order to purchase ordinary farm machinery, equipment, repair parts, fertilizers, insecticides, nails, fencing, roofing, or similar items.

"Priority ratings on equipment and supplies such as these," M. Clifford Townsend, director, Office of Agricultural Defense Relations, explained, "are issued by the Office of Production Management to manufacturers, processors and warehousemen in order to avoid having individuals obtain ratings.

May not be able to get some things

"So far as the individual farmer is concerned, he does not have to have a priority rating of any kind to buy his ordinary requirements. There may be things he may not be able to get, such as aluminum pressure cookers, but in cases like this the manufacturer and not the individual farmer is the one affected by the priority rating. On special classes of machinery which are used for

purposes other than farming, such as heavy duty electric motors, a preference rating will be necessary. This can be applied for on what is known as a PD-1 form obtainable from the Office of Production Management."

Townsend said his office had received a number of letters from farmers saying their local retailers had advised them it was necessary to secure a "priority rating" before making certain purchases.

Seeking to educate retailers

"Individual farmers," Townsend said, "who are asked to secure 'priority ratings' before making purchases of ordinary equipment or supplies should advise the Department of Agriculture immediately of the name and address of the dealer and the product on which a priority rating was requested. There's no sense in putting farmers to any more trouble than necessary to get the things they need for food production and we want a chance to explain to the retailers that a 'priority rating' is not needed for purchase of products at retail by individuals for ordinary farm or household use."

Chlorinated solvents put under priorities to assure supplies for food fumigation

Acting upon advices from the Department of Agriculture to the effect that the Nation's food supply was facing a serious threat as a result of shortages of certain chemicals used by farmers and food warehouses for fumigation purposes, Priorities Director Nelson on October 15 placed under rigid control all stocks of chlorinated solvents. These are defined in the order as: carbon tetrachloride, trichlorethylene, perchlorethylene and ethylene dichloride.

Preference Rating Order M-41 assigns a priority rating of A-10 to all defense orders for these solvents if such orders have not been granted the assistance of a higher rating; and sets up a "ladder of uses" with respect to the supply of these chemicals after defense requirements have been met.

After making provision for deliveries to fill defense orders, a producer is re-

quired, by the terms of the order, to set aside for an emergency pool 5 percent of each chlorinated hydrocarbon solvent produced by him each month, or 20 percent of the quantities, in excess of requirements for defense orders, manufactured during the month (whichever amount is smaller).

Uses for which the rating of B-2 is assigned include charging of fire extinguishers; grain fumigation; the manufacture of refrigerants; the processing and manufacturing of food, chemicals, rubber and petroleum, where substitution of other materials is impractical, and for certain other listed uses.

The preference rating of B-8 is assigned to a group of other civilian uses, including dry-cleaning; and fumigation, other than grain fumigation. The provisions of Priorities Regulation No. 1, including inventory restrictions, are applicable to the order.

Masters of food will determine future civilization, says Wilson

"Governments which will be masters of the food problem will determine what kind of a civilization is to survive," said M. L. Wilson, assistant director of Defense Health and Welfare Services in charge of nutrition, in a speech on the inauguration of the Food Stamp Plan in Cincinnati. He stated that:

"Knowledge of food and nutrition now has become an important means of defense. Army cook books have changed considerably since 1918. Military rations emphasize the protective qualities and vitamins. The food our soldiers get is the best balanced food of any army in the world.

"We are finding new ways to get the right food to every man, woman, and child. One of these means is the Food Stamp Plan.

"Our lower income families, those who simply do not have enough cash income to buy the food they need, are one of the biggest problems in the nutrition job. Public-aid families are obviously the most needy of this low-income group. Here is where the Stamp Plan helps.

"For a number of years the Government has been helping to meet the twin problems of farm over-production and consumer want. It did so by buying foods which are produced heavily and by getting them to needy families.

"The Food Stamp Plan grew out of the search for still more efficient ways of bridging the gap between farm surpluses and needy families."

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Silk Substitution Section transferred to textile branch

The Office of Production Management announced October 14 that the silk substitution section which has been under the supervision of Lessing Rosenwald would be taken over, as of October 13, by the textile, clothing and equipage branch, Division of Purchases, which is headed by Robert R. Guthrie. T. V. Barber, who is on leave as department manager for the R. H. Macy Co., New York, will be in charge of the silk substitution section.

TRANSPORTATION . . .

Railroad car ownership program short 24,370 on October 1; lack of materials blamed

Solely because of lack of materials, principally steel, the railroad car ownership program on October 1 fell short by 24,370 cars, Ralph Budd, Transportation Commissioner, OEM, has announced. Under plans adopted in the middle of 1940 the railroad freight car ownership was to be built up to 1,700,000 cars by October 1, 1941, and the figure for that date, which has just become available, indicates the total ownership was 1,675,630 cars. Some of the deficit has been made up by increased repair of unserviceable cars which were reduced to 73,019 or 4.4 percent as against an original plan calling for reduction to 6 percent. Increased efficiency in the use of equipment has also helped and the peak period of carloadings is being handled with no serious transportation difficulties of any kind.

Class I railroads on October 1, 1941, had 88,819 new freight cars on order; on October 1 last year, there were 19,892. The new cars on order on October 1, this year, included 57,891 box, 25,437 coal, 358 stock, 2,076 flat, 2,076 refrigerator and 981 miscellaneous cars.

Class I railroads on October 1, this year also had 671 new locomotives on order, of which 309 were steam and 362 electric and Diesel. On September 1, 1941, there were 611 new locomotives on order, of which 317 were steam and 294 were electric and Diesel. New locomotives on order on October 1, last year, totaled 215 which included 130 steam and 85 electric and Diesel.

55,709 new freight cars

In the first 9 months of 1941, the railroads put in service 55,709 new freight cars compared with 49,685 in the same period last year. Of the total number of new freight cars placed in operation in the first 9 months this year, there were 29,048 box, 23,159 coal, 1,566 flat, 1,482 refrigerator, 91 stock, and 363 miscellaneous cars.

In the first 9 months this year, the railroads also put in service 425 locomotives, of which 97 were steam and 328 electric and Diesel. Installed in the first 9 months last year were 265 new locomotives, of which 73 were steam and 192 electric and Diesel.

Export freight carloadings reach new high in September

During September a total of 59,836 cars of export freight were unloaded at United States Atlantic, Gulf, and Pacific ports. This exceeds by 233 cars the record for August and is the largest number of export freight cars unloaded in any month since the inauguration of the statistics late in 1939, Ralph Budd, Transportation Commissioner, declared. In September 1940 a total of 50,839 carloads of export freight were unloaded. The September 1941 figure is an increase of 17.7 percent compared to the corresponding period of 1940. Included in the total for September were 3,587 carloads of grain as compared with 633 carloads of grain in September 1940. Carloads other than grain or coal totaled 56,249 cars as compared to 50,206 cars during September 1940.

Drop in coastwise freight

Total number of cars of coastwise freight unloaded in September was 14,285, a decrease of 4,880 or 25 percent under the corresponding month in 1940 due to diversion of coastwise vessels to other service.

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CARLOADINGS DROP

Revenue freight carloadings during the week ended October 11 totaled 903,877 cars, an increase of 11.3 percent over the 811,906 cars loaded during the corresponding week in 1940; but a decrease of 13,639 cars under the preceding week when loadings totaled 917,516 cars, due principally to the stoppage of ore movement caused by the bridge failure at the Soo Canal.

The details follow:

CARLOADINGS—WEEK ENDED OCTOBER 11

	1941	1940	Percent increase
Grain and grain products.....	36,553	37,274	1.9
Livestock.....	20,226	21,709	6.8
Coal.....	171,604	120,310	42.7
Coke.....	13,159	11,581	13.6
Forest products.....	44,832	41,097	9.1
Ore.....	64,096	70,362	8.9
Merchandise l. c. l.....	160,718	160,661	.03
Miscellaneous.....	392,599	348,912	12.5
Total.....	903,877	811,906	11.3
Cumulative—41 weeks....	33,084,877	28,207,950	17.3

¹Decrease.

Railroads move over 2 million of armed forces in 9 months

Railroads of the United States in the first 9 months this year moved 2,027,857 members of the armed forces of the Nation, according to a report made to Ralph Budd, Transportation Commissioner, by the military transportation section of the Association of American Railroads. Of this number, 1,235,265 were handled on 4,112 special trains. The remaining 792,592 were moved in groups on regular trains.

In September, 170,308 members of the military service were moved by railroads. Of that number, 109,475 were handled on special trains and 60,833 traveled on regular trains. Among those transported in September were 37,118 selectees. Preliminary reports indicate that the number of selectees to be transported in October will approximate 88,880.

These figures as to the number of members of the armed forces transported by the railroads both in the first 9 months

of this year and in the month of September do not include soldiers, sailors, marines, selectees, or members of the Civilian Conservation Corps who traveled while on furlough.

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ORE MOVEMENT RETARDED

Reports from the four principal ore-handling railroads for the week ended October 11 showed they loaded into boats at upper lake ports 1,857,404 tons of ore as compared to 2,238,776 tons loaded during the corresponding week in 1940. This decrease is due principally to the stoppage of ore boats through the Soo Canal caused by the bridge collapse on October 6.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 62,657,737 tons as compared to 49,686,791 during the corresponding period of 1940, an increase of 12,970,946.

MEDIATION BOARD . . .

Air Associates rejects recommendations of Board; case referred to Executive branch

William H. Davis, chairman of the National Defense Mediation Board, announced last week (October 13-19) that the Board for the second time in its existence was forced, by a rejection of its recommendations, to turn over a case to the War Department and the Office of Production Management. During the week it also set a new record when it obtained a return to work of a total of 16,180 men in 6 cases. In 4 of these cases men called off strikes at the Board's request as soon as the cases were certified.

The Board also reached an agreement in one case, suspended hearings in two other cases for the purpose of obtaining more information before proceeding, sent the parties home to negotiate directly in a fourth case, and received certification of five new cases.

Air Associates, Inc.

The refusal by Air Associates, Inc., Bendix, N. J., to accept the Board's recommendations was made in the form of a telegram signed by Gilbert Colgate, chairman of the board of directors, and F. Leroy Hill, company president. William H. Davis, chairman of the NDMB, and Frank P. Graham, Cyrus Ching, and Hugh Lyons, members of the panel in this case, immediately wired the company as follows:

"We have received your telegram of October 19, 1941, in reply to the recommendations of the National Defense Mediation Board, dated October 9, 1941. You state that the company quote will immediately commence reinstatement of strikers still out and request period of 30 days within which to complete reinstatements so as not to interfere with national defense production unquote. The recommendations of the Board provided that the company should quote immediately return all the strikers, upon application, to their former jobs, without discrimination unquote. Reinstatement of the strikers to their former jobs upon application is an operation which plainly can be accomplished within a very few days at the most if the union and the company accept the recommendations of the Board in good faith and cooperate in an effort to carry them out promptly. It is our view that maximum defense production will best be protected by such an undertaking. The union has accepted the recommendations of the Board without reservation, agreeing to call off the strike immediately in the interests of national defense. The company not only requests the Board to countenance an unwarranted delay in reinstating the strikers, but also does not agree to restore the strikers to their former jobs, as provided in the recommendations. Because of the company's rejection of the recommendations, the Board is compelled to refer the case to the Executive branch of the Government, which it will proceed to do forthwith."

Earlier in the week, the Board had taken an unprecedented action by asking the members of the company's board of directors to attend a hearing in Washington on Wednesday,

October 15. This meeting was attended by members of the panel, by Gilbert Colgate and three members of his board of directors, by representatives from the War Department and the OPM, and three delegates from the State of New Jersey—William Nunn, chairman of the New Jersey State Board of Mediation, Charles Eaton, secretary of the New Jersey State Chamber of Commerce, and Irving Abramson, director of the New Jersey CIO. Since the majority of the company's board of directors was not able to be present, its decision was put off until a meeting in New York Saturday afternoon.

On October 16 the Board panel wired each member of the board of directors explaining that its recommendations for immediate return of all strikers to their former jobs was "in accordance with the unbroken policy of this Board" which, "in addition to being inherently just, has resulted in the past in saving millions of man-hours of work for national defense production, and can in the future save millions more man-hours for defense production. In view of the avowed desire of your company to cooperate to the fullest extent in the national defense program, we are certain that in the present crisis you will not wish to reject and undermine a policy essential to maximum defense production." A strike has been in effect at the plant since September 29. The company employs 600 workers making aircraft parts. The union involved is the United Automobile Workers, CIO.

Cleveland Graphite Bronze Co.

The Cleveland Graphite Bronze Co., of Cleveland, Ohio, and the Mechanics Educational Society of America, an independent union, came in for hearings before the Board on October 15. A dispute between the company and the union had arisen over a proposed change on the part of the company from piece to day rates which the union feared might lessen the earnings of some employees. The 2,500 employees who had been on strike since October 3 returned to work October 8 at the request of the Board. On the second day of hearings an agreement was reached subject to ratification by the union. The panel in the case was composed of Frank Graham, Roland Hamilton, and George Googe. The company makes bearings for plane engine concerns and for tank and tractor concerns.

Alabama Dry Docks & Shipbuilding Co.

A threatened strike over the issue of union security by the Industrial Union of Marine and Shipbuilding Workers, CIO, at the Alabama Dry Docks & Shipbuilding Co., Mobile, Ala., was postponed at the Board's request and both parties came in October 15 before a panel of Charles Wyzanski, Roger Lapham, and Hugh Lyons. After 3 days of hearings, both the company and the union went home and before October 27, they will submit additional data to the Board. The panel will then decide what further course to follow in the case. The company has a ship repair yard and holds contracts for such work from the Maritime Commission.

Fairmont Aluminum Co.

Hearings began October 16 before a panel of Walter T. Fisher, George Mead, and John Brophy in the controversy between the Fairmont Aluminum Co., Fairmont, W. Va., and the Aluminum Workers of America, CIO. At

the request of the Board a threatened strike of 300 men had been postponed at the company's plant, which makes sheet aluminum and half of whose production has an A-1-a or A-1-b priority rating. The issue was whether an 8 cents per hour increase proposed by the company should be made retroactive to May 1, when negotiations began on the question. After 2 days, hearings were recessed for 2 weeks for further investigation, at the end of which time the Board will make recommendations.

Breeze Corporations, Inc.

Two more days of hearings in the dispute over wages between the Breeze Corporations, Inc., of Newark, N. J., and the United Automobile Workers of America, CIO, ended in both parties agreeing to continue negotiations at home. If they cannot agree, they will notify the Board and recommendations will be made for the Waverly plant of the company. Two other plants that have contracts not expiring until the end of this year are not to be affected by such recommendations. A strike of 1,600 men on October 2 was called off the next day pending mediation efforts by the Board. The company has subcontracts for radio equipment for the Army Signal Corps.

New cases

The five new cases certified to the Board last week are as follows: International Harvester Co., Springfield, Ohio, and United Automobile Workers, CIO; Hillsdale Steel Products Division of the Spicer Manufacturing Co., Hillsdale, Mich., and Toledo, Ohio, and the United Automobile Workers, CIO, and the United Auto Workers, AFL; John A. Roebing Sons Co., Trenton, N. J.; and the Brotherhood of Railroad Trainmen, AFL; Ingalls Shipbuilding Corporation, Pascagoula, Miss.; and the Pascagoula Metal Trades Council, AFL; American Engineering Co., Philadelphia, Pa., and Industrial Union of Marine and Shipbuilding Workers, CIO.

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Costs of hauling and loading waste paper on freight cars added to ceilings

An amount not in excess of \$1 a ton may be charged above ceiling prices by waste-paper dealers to cover the cost of hauling and loading waste paper on freight cars for shipment to consumers, according to an amendment to Price Schedule No. 30 (Waste Paper Sold East of the Rocky Mountains) announced October 20 by the OPA.

Until now, the maximum prices had applied to waste paper loaded on freight cars, trucks, or other means of conveyance, for shipment to the consumer. Additional costs are involved in loading on freight cars. As a result, the shipment of waste paper by rail has been neglected in favor of shipments by truck. The new amendment will correct this maladjustment.

Major types of carded yarn goods put under ceilings adjustable to "spot" raw cotton

Virtually all major types of cotton goods made of carded yarn—from coarse bagging and tough work-clothing denims to the fine count broadcloths—are brought under ceiling prices automatically adjustable to the price of "spot" raw cotton in a new price schedule announced October 20 by OPA Administrator Henderson.

The schedule, titled "No. 35—Carded Grey and Colored-Yarn Cotton Goods," became effective October 21 and covers 13 leading types of cloth made of carded yarn. Five of these have been transferred from Price Schedule No. 11, the original grey goods schedule, while the other 8 are being brought under maximum prices for the first time. Ceilings established for these new additions bring them into proper price relationship with the carded yarn fabrics already covered and, almost without exception, represent reductions from recent levels.

Principal types of "fine goods" made of combed yarn, which are of higher quality than carded yarn goods, will continue to be covered by Price Schedule No. 11. This schedule, as well as Price Schedule No. 7—Combed Cotton Yarn—also will be revised to tie in the ceiling prices with cotton prices as soon as a current study of certain "fine goods" constructions is completed.

Textiles made of carded yarn have been separated from those made of combed yarn in the interests of simplification, Mr. Henderson said.

OPA price ceilings, it is estimated, now are spread over approximately two-thirds of all primary cotton textiles manufactured in the United States. Not yet included, but undergoing investigation currently, are wide sheetings, wide drills, wide print cloths, and tickings. Prices of the various grades of duck and tire fabrics are being watched closely. Future studies will take in napped fabrics and towelings.

Price Schedule No. 35 covers 11 printed pages and divides the carded yarn goods included into four main groups: Print cloth yarn, sheeting yarn, denims, and colored yarn cloths (excepting denims). Tables of ceiling prices are provided for each main group. A separate table lists premiums which may be charged above the maximums for several special manufacturing processes on certain types of goods.

Under the "Print Cloth Yarn Group" are listed print cloth, including (as sub-

classes) tobacco and bandage cloth; carded broadcloth, pajama checks, carded poplins, carded plaques, and three-leaf twills. The "Sheeting Yarn Group" contains sheetings, drills, three-leaf jeans, four-leaf twills, and oenaburgs.

All shades and colors of denims, both mill-finished and sanforized, are listed separately, while other colored-yarn goods, such as shirted chambrays, shirting coverts and pants coverts, are included in the "Colored Yarn Group."

As applied to the print cloth and sheeting yarn groups, the OPA formula provides for adjustment, downward or upward, of one-half cent a pound in the price of goods for every change of 43.7 points in the price of raw "spot" cotton. Since the cotton "yardstick" is based on the closing price on 10 "spot" markets, any revision in the grey goods ceiling prices will go into effect on the day following a 43.7-point change. The prices so established will continue in effect until the day after another 43.7-point fluctuation in cotton prices takes place.

Denims and other colored-yarn cloths are priced by the yard, instead of by the pound. In the case of denims, the maximum prices recognized the customary "card" differentials. Therefore, the schedule provides, the ceiling price for

the basic grade, 2.20 yards to the pound, will be adjusted up or down by ¼-cent upon each fluctuation of 46 points in the price of cotton. Denims of other weights, solid color denims, and striped denims, are adjusted to this base price in line with the "denim card" now in use throughout the trade.

All other colored yarn cloths, excepting pants coverts, will undergo price adjustments of ⅛¢ a yard upon each change of 42 points in the price of cotton. The price of cotton pants coverts will be raised or lowered by 0.30¢ upon a 42-point move in the cotton price.

In all cases, the ceiling price applicable on the day any contract is made shall govern all subsequent deliveries under such contract.

Features of interest to the trade

Other features of the new schedule of particular interest to the trade follow:

(1) Stated premiums for herringbone weaves are allowed in the case of drills, jeans, four-leaf twills, and denims.

(2) Special price differentials are provided for print cloths 32¼-inch widths and less and for class C sheetings, all drills, and four-leaf twills according to thread count per square inch.

(3) Maximum prices for four-leaf twills and all colored goods are to be discounted in accordance with usual trade credit terms, which are given in detail in the schedule.

7 new aviation gas plants get priorities

The granting of high priority ratings on seven new plants for production either of 100 octane gasoline, or of the base stock and blending agents used in making that fuel, was announced October 16 by the Office of the Petroleum Coordinator for National Defense.

Issuance of the ratings by the Office of Production Management, on recommendation of the Coordinator's Office, brings to 15 the number of aviation gasoline plants which now are building or may be commenced.

According to Petroleum Coordinator Harold L. Ickes, the action cleared the decks for final, rapid consideration of plans to triple the Nation's 100 octane

refining capacity, which is now about 40,000 barrels daily.

Ways and means of achieving this objective, made necessary by the rising demand for aviation fuel for American and other flying forces, were to be discussed in Washington October 20 with chairmen of aviation gasoline subcommittees representing the refining branch of the oil industry. Meanwhile, conferences were continuing with the Reconstruction Finance Corporation on methods of financing additional new plants and methods of providing term contracts for output.

A list of the plants on which OPM has just granted priority ratings, and which will fit into the program for tripling capacity, follows:

Company	Plant location	Type of plant
Union Oil Co.	Wilmington, Calif.	Isopentane.
Shell Oil Co.	Wilmington, Calif.	Isopentane.
Shell Oil Co.	Houston, Tex.	Hydrocodimer.
LaGloria Corporation	Corpus Christi, Tex.	Isobutane.
Shell Oil Co.	Wood River, Ill.	Isopentane.
Phillips Petroleum	Borger, Tex.	100 Octane.
Gulf Refining Co.	Port Arthur, Tex.	Base Stock.

PURCHASES . . .

\$184,999,981 War Department contracts cleared October 9 through October 15

Defense contracts totaling \$184,999,981 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 9 through October 15. This compares with a total of \$590,753,445 for the previous week.

\$4,939,102 for construction

Contracts for construction amounted to \$4,939,102; contracts for equipment and supplies to \$6,781,811; contracts for ordnance to \$18,965,810 and contracts for aircraft to \$154,313,458.

A compilation of announcements for the week follows:

CONSTRUCTION

General Construction Co., Seattle, Wash.; construction of Pier "B," Seattle Port of Embarkation, Wash.; \$1,944,000.

H. E. Wolfe Construction Co., Inc., St. Augustine, Fla.; clearing, grubbing, and grading flying field and aprons, Sumter Field, S. C.; \$575,126.

J. B. Klein Iron & Foundry Co., Oklahoma City, Okla.; furnishing structural steel, Midwest Air Depot, Oklahoma City, Okla.; \$1,208,400.

Vickers, Inc., Detroit, Mich.; machinery and equipment for use in plant for production of hydraulic equipment; \$541,721.

Peter Kiewit Sons Co., Omaha, Nebr.; supplement to original contract covering construction of additional warehouses and facilities at Hill Field, Ogden, Utah; \$669,855. (Total contract now \$1,560,030.)

EQUIPMENT AND SUPPLIES

General Motors (Chevrolet Division), Flint, Mich.; 1½-ton cargo and dump trucks; \$4,570,501.

Wilton Woolen Co., Wilton, Maine; 500,000 yds. olive drab wool lining cloth; \$800,000.

Corbitt Co., Henderson, N. C.; 6-ton tank trucks; \$787,500.

United States Rubber Co., Naugatuck, Conn.; 266,500 prs. 4-buckle rubber overshoes; \$623,610.

ORDNANCE

High Standard Mfg. Co., New Haven, Conn.; guns; \$6,755,791.

Essex Specialty Co., Inc., Berkeley Heights, N. J.; parachute flares; \$575,400.

American Brass Co., Waterbury, Conn. (for manufacture at Torrington, Conn.); brass; \$1,044,000.

Willys-Overland Motors, Inc., Toledo, Ohio; shells; \$5,078,370.

W. F. and John Barnes Co., Rockford, Ill.; shot; \$4,000,000.

Electric Household Utilities Corporation, Hurley Machine Division, Cicero, Ill.; boosters; \$854,199.

National Cash Register Co., Dayton, Ohio; fuzes; \$658,050.

AIRCRAFT

Square D Co., Kollsman Instrument Division, Elmhurst, N. Y.; pilot tubes, etc.; \$4,689,233.

Walter Kidde & Co., Inc., New York, N. Y.; fire extinguishers; \$2,805,967.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; airspeed indicators; \$1,210,320.

Warner Industries, Inc., Cincinnati, Ohio; tower target assemblies; \$518,400.

The Yale & Towne Mfg. Co., Stamford, Conn.; pump assemblies; \$505,000.

Republic Aviation Corporation, Farmingdale, L. I.; maintenance parts; \$3,130,350.

The Sparks-Withington Co., Jackson, Mich.; bomb hoist assemblies; \$633,149.

Goodyear Tire & Rubber Co., Akron, Ohio; life rafts; \$1,491,840.

Republic Aviation Corporation, Farmingdale, L. I., New York; airplanes and spare parts; \$64,404,036.

Studebaker Corporation, South Bend, Ind.; Wright Aeronautical-type engines; \$74,338,783.

Standard Aircraft Products, Inc., Dayton, Ohio; thermostat assemblies; \$586,380.

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Defense construction program amounts to \$9,669,867,000

By September 1 the value of defense construction—completed, in progress and scheduled—amounted to \$9,669,867,000, the OPM Bureau of Research and Statistics reported last week.

Construction valued at \$3,444,713,000 was in place. This included completed and semicompleted projects, and represented 36 percent of the defense construction program to date, 64 percent of scheduled construction remaining to be completed or undertaken. Of the work in place on September 1, \$543,767,000 or 6 percent of the total program was erected in August.

\$4,315,169,000 is military

The military program involved construction valued at \$4,315,169,000, of which \$1,713,409,000, or 40 percent, was in place on September 1. During August \$225,570,000 of the work, or 5 percent, was put in place.

The nonmilitary defense construction program came to \$5,354,698,000 of which \$1,731,304,000 or 32 percent, was in place. August construction was valued at \$318,197,000.

7 named to Purchases staff

Douglas C. MacKeachie, Director of Purchases, Office of Production Management, announced October 18 seven additions to the Division of Purchases, as follows:

Paul J. Bruderer, consultant on laundry equipment in the equipment and supplies procurement advisory branch under James MacPherson. Mr. Bruderer came to OPM from New York City where he was supervisor of laundries for the City of New York. Last year he was awarded the Samuel H. Ordway Medal by Mayor LaGuardia for his accomplishments on modernizing laundry administration.

Albert W. Luhrs, consultant on paper and fiber containers in the containers branch under Walter Shorter. Mr. Luhrs was president of Containers Testing Laboratories at South Orange, N. J. Prior to that he acted as consultant in this country and Europe, and established testing laboratories in England, France, Germany, Italy, and other European countries.

Edwin R. Meyer, consultant on food in the food supply branch under Howard B. Cunningham. Mr. Meyer was president of Central Brokerage Co., St. Louis, Missouri.

Kenneth Mahrle, consultant on canned foods in the food supply branch under Mr. Cunningham. Mr. Mahrle was with the sales department of National Can Corporation, Milwaukee, contacting canners throughout the Middle West.

Randolph P. Butler, Philadelphia, commercial specialist on leather in the textile, clothing and equipage branch under R. R. Guthrie. Mr. Butler was vice president of William Amer Co., glazed kid tanning firm, in charge of the specialty department.

Louis J. Wilbur, Miami, commercial specialist on leather in the textile, clothing and equipage branch under Mr. Guthrie. For 40 years he was associated with Swift & Co., meat packers.

James Knox, New York, executive assistant to Mr. MacPherson. Mr. Knox was credit manager of H. W. Baker Linen Co., wholesale textile firm in New York, and prior to that with the Chase National Bank in New York as credit account man and railroad specialist.

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Certain producers exempted from zinc pool requirement

Producers of zinc, zinc oxide, and zinc dust from secondary materials, under toll agreements, are exempted from setting aside any of these materials for pool uses, in an amendment to General Preference Order M-11, announced October 16 by Priorities Director Nelson. Galvanizers who redistill zinc dross or skimmings for their own use are still subject to the pool requirements.

The amendment also shifts from the processor to the owner of the materials, the obligation of setting aside a portion of zinc produced from primary materials under toll agreements.

Will take every action possible under law to enforce priorities, Nelson warns

Government agents are checking priorities compliance in 1,800 aluminum foundries, and other industries will be checked as soon as investigators can be trained for the job, Priorities Director Nelson said in a press conference October 16. The suspension of aluminum operations imposed on one company and announced that day is not to be regarded as an isolated case, he emphasized. Milton Katz, OPM assistant general counsel assigned to the Priorities Division, outlined further penalties which, under certain circumstances, might fall on violators of priorities regulations.

Excerpts from the conference follow:

Mr. NELSON. One of the things that we promised you was that we were going to see whether this thing could be enforced, and this company happened to be the first one that we struck that was violating a priority order and there seemed to be nothing to do but to go right through and bring about an enforcement, but don't think for a moment that this is an isolated case. This is not. This is just the beginning, and the only reason we are attaching any importance to it is because it was the first, and we knew that you would have some questions about it.

I want to assure you that we are starting in to go right through the whole thing as fast as we can. We have enlisted the aid of the Government agencies who have field forces who are accustomed to investigations and we are just going to proceed to go through the works.

The right to equality

I think that the businessman who is complying—and I feel pretty definitely that we will find that the great majority are complying—but I think the businessman that is complying has a right to ask of us that we do everything that we can legally to bring the fellow who is not complying into the same general condition as the man who is complying. Now, that is the fundamental principle that we are trying to observe in this.

This organization of the wage and hour division has been brought in. They have been trained and told what we wanted them to do, and they have gone out as our representatives and are now checking all of the aluminum foundries. The violations, if they are found, are going to be handled as promptly and as expeditiously as our legal talent advises that they can be, and we are going to

take every action that our legal counsel tells us that we can take to bring about enforcement, not because we have anything punitive in our minds at all. This is a defense program. We believe that a priorities system is essential in a defense program. We don't know any other way at the moment to direct materials into the places where they should be used. If that is to be done, then clearly it is up to us, we feel, to either enforce it or to acknowledge right off the bat that we cannot enforce it, and if we cannot and we are still serious about a defense program, to go to Congress and ask for legislation that will enable us to do it.

Checking 1,800 companies now

Mr. KATZ. We are checking over eight-hundred companies. The investigators are in the field now.

Q. How soon do you expect to move into other fields other than aluminum?

Mr. NELSON. Just as fast as we can get the organizations trained.

False reports can bring fine, prison term

Q. Can you give (violators) any further punishment than simply denying the materials?

Mr. NELSON. It depends on the records of the case.

Q. Is there any imprisonment sentence or fines?

Mr. NELSON. A company that has falsely stated anything to the Government, other action can be taken and in each case it is going to depend entirely on the character of the evidence. I mean, I can only judge by taking such action as our counsel says we can take. I am directing our counsel to take every bit of action we possibly can.

Q. May I ask counsel what the general statutory provisions are for false statements?

Mr. KATZ. There is an amendment to the Criminal Code in the year 1938 which says that any false reports made to any Government agency relating to a matter which is in the jurisdiction of that Government agency is made subject to the penalties of perjury.

Q. What are the penalties?

Mr. KATZ. Indictment, prosecution, fine, or imprisonment.

Q. What is the fine or imprisonment?

Mr. KATZ. Perjury is a felony subject to both fine and imprisonment or fine or imprisonment, in the discretion of the judge.

Q. How many cops are you hiring for your compliance and field section?

Mr. NELSON. Well, I'll tell you, we are trying to borrow all the cops in the Government.

Mr. KATZ. We have got the investigators of four Government agencies already available to us—the Wage-Hour, Federal Trade Commission, Bureau of the Census, and the Procurement Division of the Treasury. We intend to proceed with all of them as we have with the Wage-Hour in connection with aluminum. Agents from all of them are not yet in operation. What we are going to do is what we did with the Wage-Hour investigators. We run them over and get them through a school in the order which we want them to run an investigation, what the order meant, what it did, what to look for and what types of records to look for. Only after that training were they sent out into the field and they are now operating in the aluminum industry. We intend to operate industry by industry in the same way.

275 investigators now at work

Q. About how many men have you out investigating?

Mr. KATZ. About 275.

Mr. NELSON. Two hundred seventy-five at the moment.

Q. They are all from the Wage-Hour?

Mr. KATZ. Wage-Hour and all in one industry.

Q. Have you any estimate as to the number from the other three agencies?

Mr. KATZ. They have indicated they will give us full support.

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NEW FIELD OFFICES

Field offices of the Contract Distribution Division of OPM have been opened in 5 additional cities to help qualified manufacturers obtain defense work, Director Floyd B. Odum announced last week.

These offices and their addresses are as follows:

Wheeling, W. Va.—1025 Main Street, Hawley Building.

Worcester, Mass.—State Mutual Building, 340 Main Street.

Syracuse, N. Y.—Chamber of Commerce Building, 341 Warren Street.

Springfield, Ill.—307 First National Bank Building.

Dayton, Ohio.—1021 Third National Bank Building, 32 North Main Street.

Price Control Bill vital, other methods must keep pay in bounds, says Henderson

In a recent radio address on the Emergency Price Control Bill now before Congress, OPA Administrator Leon Henderson declared: "There is no question in my mind but that we are already in the early stages of inflation. Unless the present vigorous thrust of prices is checked this country will suffer bitterly."

He explained that though wages must be kept in bounds, he thought that the country would "shrink from" legislation to freeze pay, and that he believed "a national policy on wages during the emergency is gradually being formulated."

Other excerpts follow:

Even more frightening than the present level of price advances is the fact that these advances have been gathering momentum rapidly since the early months of this year. The sharpest increases are found, of course, in the basic raw materials, such as wheat, cotton, and lard. Since the middle of February alone, the Bureau of Labor Statistics' daily index of the spot prices of 28 basic commodities has gone up 30 percent and is now more than 55 percent higher than in August 1939. This advance would have been even sharper had we not succeeded in holding down prices of such basic products as steel scrap, lead, copper, zinc, and sugar by agreements with industry or by imposing price ceilings.

There have been sharp advances in retail prices. But the fact is that retail prices have lagged behind the procession. It always takes time for price increases to move from raw materials to finished goods and from wholesale to retail markets. Now retail prices are going up in earnest. The cost of living on August 15 last, was 7½ percent higher than it had been two years earlier. Retail food prices were more than 15 percent higher this August than in August 1939.

Beginning with the formation by the President of the Advisory Commission to the Council for National Defense in the summer of 1940, I have had the responsibility of watching the price level and doing what I could with whatever means I could find to restrain price advances.

Obviously, the first impact of a diversion from civilian to defense production is felt in the prices of raw materials. My staff therefore devoted its time to the supply and prices of basic raw materials—particularly minerals and metals. We were urging expansion of production

wherever shortages threatened or might threaten sometime in the future. We sought the voluntary cooperation of business leaders in stabilizing prices. To the extent that we were successful we postponed the day when price regulation would be necessary.

As early as February of this year it was apparent that something more than informal understandings, stockpiles, or speeches was necessary.

On April 11, therefore, the President, by Executive order, created the Office of Price Administration and Civilian Supply. He authorized me as Administrator to issue formal price ceilings which would set forth reasonably maximum prices that should be charged. While only 34 of these ceilings have been issued, they cover approximately 30 percent of the principal raw materials and the primary manufacturing industries.

Many of these schedules have been extremely successful, but even last summer it was apparent that the enormous purchasing power being created by the defense effort was being spent for products whose supply could not be increased. Accordingly, I recommended to the President that the time had come for price legislation.

Not for any special class

The Price Bill is not intended to protect any special class or group in the community. It is addressed to all sellers and all buyers. It covers retailers and wholesalers, producers, manufacturers, and distributors. It includes all commodities, farm products and foods, as well as raw materials, and finished goods. In addition, it provides a mechanism whereby rents in defense areas may be held within reasonable bounds.

Next, remember that the bill is a temporary measure—the authority is granted only for the duration of the emergency. The authority under the bill is granted to the President. He in turn may delegate his authority to one or more existing agencies of the Government. Or he may create a new board and delegate the power to it. Or he may appoint an administrator and put that administrator in charge. The approach is flexible.

The bill is broad, but is carefully surrounded with safeguards. Although the President may put a price-stop on all commodity prices, generally speaking it is contemplated that maximum prices will

be established only for the more important prices which show a tendency to get out of line.

For agricultural commodities the bill as introduced provides a different set of standards. No price can be fixed on any farm product below 110 percent of parity, or the price on July 29, 1941, whichever is the higher.

In order to make sure that everyone knows just how a particular ceiling price is established, the bill expressly says that every price regulation must be accompanied by a statement of the considerations that were involved in the making of the price. Then if any one wishes to object, he may file a protest, explaining his objections and setting forth any supporting evidence he may have.

What the Bill does not do

This bill doesn't undertake to do anything about public utility rates—charges for transportation, whether by rail or water, electric lights, gas, telephone, or telegraph.

Secondly, it doesn't undertake to fix wages. As you know, we have a good deal of legislation on the books designed to bring about a system of fair wages.

I believe wages, like every other cost, must be kept in bounds. I believe that we cannot avoid an inflationary spiral if wages rise exorbitantly and require commodity price increases to take care of them.

I believe that a national policy on wages during the emergency is gradually being formulated, and I further believe that it may be necessary, just as it was under the pressure of war circumstances before, to have a national expression and acceptance of standards to be observed in wage negotiations. I know very clearly what Sidney Hillman does at the present time when confronted with an unwarranted wage demand which threatens the national interest. I know, too, that he is working and in some instances has been extremely successful in establishing area agreements for the stabilization of wages in selected industries. It is my feeling that the number of these stabilizing agreements should and will increase, but I am completely opposed to any policy which would attempt by legislation to freeze the wages and salaries of every single employee and employer in this country. I further believe that if a bill to freeze all wages and salaries were presented to Congress at this time the country would shrink from it once the full significance of wage and salary control was understood.

CIVILIAN DEFENSE

Field relations between OCD and Health and Welfare clarified by joint statement

Clarification of the field relationships between the Office of Defense Health and Welfare Services and the Office of Civilian Defense was embodied in the following joint statement issued by these agencies.

The statement is not intended as completely delimiting the functions of either office:

Office of Civilian Defense

1. The Office of Civilian Defense is concerned with:

a. Assisting State and local governments in the organization and servicing of State and local Defense Councils for the coordination of defense activities.

b. The development of plans and programs for the protection of the civilian population in the event of enemy action.

c. The establishment and operation of Civilian Volunteer Service Offices for the recruiting and assigning of volunteers for training and work in civilian protection and community activities related to defense.

d. Coordinate Federal civilian defense activities which involve relationships between the Federal Government and State and local governments, except in the fields covered by ODHWS as indicated below.

Defense Health and Welfare Services

2. The Office of Defense Health and Welfare Services is concerned with:

a. The coordination of Federal, State, and local defense services in the fields of health, welfare, education, nutrition, recreation, and related activities.

b. The development of plans and programs designed to assure the provision of adequate services and facilities in these fields.

Agree on basic principles

3. In order that the regional directors and other representatives of the two agencies may carry on their activities with the maximum possible coordination of effort, the OCD and the ODHWS have agreed on the following basic principles of field operations:

a. The OCD, through its regional directors, maintains its relationship with State and local governments primarily

through the State and local defense councils.

b. The ODHWS, through its regional directors, maintains its relationship with State and local governments primarily through the State and local agencies in the various technical fields.

c. The regional directors of the ODHWS will be responsible for keeping the regional directors of the OCD informed of their general relationships with State and local defense councils in connection with defense health, welfare, and related services. The regional directors of the ODHWS will advise the regional directors of the OCD of new defense health and welfare programs, *in which State and local defense councils are expected to participate*, and, wherever feasible, arrange for joint presentation of such programs to defense councils. Wherever such programs have been established, the regional directors of ODHWS may call upon State and local defense councils for action or information without further clearance.

Cooperate in programs for volunteers

4. The ODHWS will make available to the OCD all possible technical assistance in connection with the utilization of the facilities of Federal health and welfare agencies in the planning of programs for the protection of civilians in the event of enemy action.

5. The ODHWS will cooperate in the development of the program for volunteers on the following basis:

a. The OCD will be responsible for the establishment and operation of Civilian Volunteer Service offices, under the auspices of State and local defense councils. These offices will be concerned with the recruiting of volunteers, the assignment of volunteers to agencies for training and work opportunities, and the stimulation of community interest in volunteer activities.

b. The ODHWS will assist State and local agencies in the fields of health, welfare, education, recreation and nutrition in the training of volunteers and in the utilization of volunteer services in such programs.

Exemption from amusement tax aids free tickets for soldiers

Recent legislation exempting members of the armed forces of the United States from paying Federal amusement taxes when in uniform will permit extension of the recreation facilities of the Office of Defense Health and Welfare Services. Local recreation committees, with the cooperation of commercial amusement houses, are increasing the distribution of free tickets.

This measure is of particular value in large centers where there is a considerable number of commercial amusements.

In New York City, the Defense Recreational Committee distributes about 50,000 tickets weekly to major amusement and sports events. Tickets are made available to the committee through the cooperation of theatrical producers, independent moving picture theater operators, broadcasting companies, and sport impresarios.

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31,000 nurses needed

"The serious shortage of professional nurses is one of the critical problems facing this country today," Miss Mary Beard, chairman of the subcommittee on nursing of the Health and Medical Committee, Office of Defense Health and Welfare Services, declared October 16 in speaking before the American Public Health Association convention in Atlantic City.

"We face new decisions and fresh situations concerning the health of communities near Army camps and great industrial plants, to say nothing of the need for filling those places left vacant in civilian hospitals and homes when nurses are drawn away for activities connected with our armed forces," said Miss Beard.

More than 31,000 additional graduate registered nurses are needed this year by the Army, Navy, and other Government agencies as well as by civilian institutions, Miss Beard reports. To meet these new requirements, 50,000 new students must be enrolled in schools of nursing this year; thousands of retired professional nurses are being urged to return to active duty; 100,000 volunteer nurses' aides are to be trained by the Red Cross and the Office of Civilian Defense; and 500,000 more are receiving instruction in the Red Cross Home Nursing course.

Small plants hold "balance of power" in World conflict, Odlum believes

Small plants, accounting for more than 60 percent of all our industrial workers, "represent the balance of power in the World conflict," Floyd B. Odlum, Director of the OPM Contract Distribution Division, said recently.

"We will make a vigorous effort to see that no large order goes to any firm that does not agree to 'farm out' a reasonable part of the work," Mr. Odlum promised in a speech broadcast from the convention of the Capital District, Kiwanis International.

Excerpts follow:

... The big mass production high-speed plants are fine. To play safe against long-range demands or for particular kinds of work we may have to build even more. But our machine-tool industry will work to capacity for another eighteen months to equip what we now have projected. We must not overlook what already exists. The nations whose defense is essential to our defense are fighting for their existence right now. They need greatly increased help immediately. That help must be in the form of manufactured materials. We can give it to them quicker by converting our existing factories, large and small, to defense production.

2,000,000 jobs may be at stake

We should and must do this for another reason too. Thousands of these plants face the prospect of curtailment or closing unless they can be converted quickly to defense production. Some

authorities estimate that 2,000,000 jobs are at stake.

You are all probably familiar with the well publicized fact that 75 percent of the initial major defense contracts went to 56 big companies. That does not tell the whole story, of course, for many of these prime contractors worked with hundreds of subcontractors. But nevertheless it is true that most of the work is in a comparatively few companies.

But the picture has changed. The problem is different today. Price is not the main yardstick. Speed in deliveries is more important. We must spread the work and do it now—immediately.

It is my firm belief that our small plants of America represent the balance of power in the World conflict. Those with 500 or less employees account for more than 60 percent of all our industrial workers.

Our division does not make purchases or place orders. The success or failure of the effort depends largely on how the armed services and their personnel handling procurement carry out the policy in practice. We, therefore, first worked with the Army, Navy, and Maritime Commission. They have adopted the President's work spreading policy. During these past four weeks I have seen every evidence of cooperation. Each has set up a Contract Distribution Division to follow through in harmony with our own division. Large orders are already being broken into smaller ones when feasible. New plants will not be fostered when

presently existing ones are known that can effectively do the same job in the same or shorter time. Competitive bidding is giving way where possible to a negotiated price in order to spread orders.

Push subcontracting

We also appeal to the 56 large companies to push subcontracting at once and vigorously as a national patriotic policy. Many had been doing a fine job, but agree they can do more.

The law is being prepared to eliminate all legal barriers to spreading the work. Zone bidding and experimental and educational orders will be fostered.

Clinics are being organized throughout the country. At a clinic recently thousands attended and many subcontracts were signed on the spot.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

OCTOBER 28, 1941

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DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9----- 1,588,500
Navy and Marine Corps, Oct. 1---- 366,629
Nonagricultural workers, Aug----†39,626,000
Percent increase since June 1940-- 11.9
18 defense industries, Aug----- †2,593,900
Percent increase since June 1940-- 60.6

FINANCE

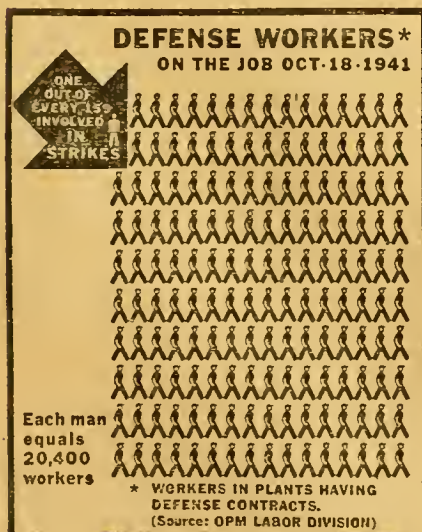
(In millions of dollars)
June 1940 to latest reporting date
Authorized program Oct. 15----- †57,262
Contract awards Sept. 30----- *37,464
Total disbursements Sept. 30----- *10,650

PRODUCTION

Paid on contracts, June 1940--
September 30, 1941-----*8,382,000,000
Military aircraft, September-- 1,914
Combat vessels in September-- *6
Merchant ships, September-- *9

Week ended October 18 *Strikes Workers*
Significant defense strikes in
progress during week----- 8 14,200
Number settled----- 1 3,200

*Preliminary. †Revised.



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Review of the Week

OPM hit its stride last week in the program to divert scarce materials to defense. The Priorities Division virtually forbade the use of copper for a long list of civilian products, through the most far-reaching action of its kind yet taken. Another priorities order prohibited the expenditure of such metals as aluminum, copper, chrome, and nickel for ornamenting passenger automobiles after December 15.

The Priorities Division also extended through December the curtailment of light truck output for civilian use, announcing that much of the facilities thus released might be shifted to production of military vehicles. Director Nelson issued an order formalizing the maximum passenger-car production allotments for December, which had been announced earlier.

Lead pool ordered

Refiners of lead were ordered to set aside 15 percent of their November production to be allocated by the Priorities Director. The Office of Price Administration made an upward adjustment in maximum prices of zinc dust, to assure continued volume of this material for use in mining and the manufacture of chemicals, paints, and dyes. OPA approved above-ceiling prices to keep in action three copper producers whose costs are higher than average, and took a similar step on behalf of a small ethyl alcohol factory.

Steel plant recommended for West Coast

To supply shipbuilders and other defense industries on the West Coast, OPM recommended to the Defense Plant Corporation that a new steel plant be erected at Pittsburg, Calif., capable of turning out 500,000 tons of plate and 30,000 tons of castings a year. To free mills for defense work, OPM asked a reduction of 50 percent in the number of styles in angle shapes, and of nearly as much in beams, channels, and other steel shapes.

OPM announced a program was ready for action in case rains do not come to alleviate the power shortage in the Southeast.

During a week in which OPM stated that "the interruption of work by strikes

or slowdowns is the greatest help the aggressors can get," Alabama coal miners accepted recommendations of the National Defense Mediation Board and decided to go back to work; but John L. Lewis, president of the United Mine Workers, refused to prevent a strike in "captive" mines which supply steel mills.

Gasoline restrictions revoked

Acting on the recommendation of Petroleum Coordinator Ickes, who announced that England has fulfilled its program in petroleum and will return 40 tankers provisionally to the United States, Priorities Director Nelson revoked restrictions on gasoline distribution in the Atlantic Coast area.

Following up a finding of the Civilian Supply Division, the Priorities Director issued an order to distribute fairly the East's inadequate supply of waste paper. Eastern mills and plants using waste paper in paperboard or roofing mill products were required to cut consumption 10 percent weekly from a basic average, in a program to last from October 25 until November 22.

Defense officials tour Nation

In the effort to spread defense work into every possible plant, defense officials prepared to tour the Nation in a special train full of exhibits and interview 30,000 small manufacturers. On the basis of investigations by the Labor and Contract Distribution Divisions, OPM certified to the War and Navy Departments that Grand Rapids, Mich., and six other communities face severe unemployment because of material shortages and should be given special treatment in the award of defense contracts. A \$12,000,000 award for anti-aircraft gun mounts was given to three prime companies to be distributed among others in the household washer and ironer industry.

Price Administrator Henderson, after Canada abandoned the selective price ceiling system now practiced by the United States and substituted maximums on all commodities together with relative ceilings on wages, explained that he did not believe our own defense program has reached the stage where such measures are needed or wise. Nevertheless, he

said, the action emphasizes the immediate need for enactment of the Emergency Price Control Bill as a "program for the immediate future."

Additional OPA action included the placing of two more industrial chemicals—acetone and butanol—under ceilings; the shifting of hide, kip, and calf-skin prices to a shipping point basis; and an amendment to place processors and producers of continental raw cane sugar in a more favorable position.

Three leading producers of wood pulp for sale agreed to withdraw price increases and thereby removed for the time being the necessity for a price ceiling. A second proven violator of the iron and steel scrap price schedule decided to refund sums collected in excess of the ceiling.

Civilian Defense Week, November 11-16

The Office of Civilian Defense prepared to use Civilian Defense Week, proclaimed by President Roosevelt for November 11-16, in stimulating awareness among civilians and telling them how they can organize for their own protection.

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Second violator of scrap schedule refunds excess

Another proven violator of the Iron and steel scrap price schedule has agreed to refund to purchasers all sums collected in excess of the established ceiling prices since September 2, as result of direct action by the OPA. Administrator Henderson announced October 24.

This is the second case in which OPA has moved to carry out the firm policy announced by Mr. Henderson on August 28 of compelling strict compliance with the scrap schedule after September 2.

The first instance was announced on October 9 and involved restitution by one of the country's largest brokers and dealers in iron and steel scrap. The latest case concerns a relatively small Pennsylvania dealer who admitted several violations. As in the earlier action, OPA has decided not to release the name of the violator at this time.

Mr. Henderson said that cases are being prepared against a number of other violators, both large and small.

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Use of copper for many civilian purposes prohibited in '42, cut for rest of '41

The Division of Priorities imposed additional rigid controls on copper and brass October 21, issuing Conservation Order M-9-c which virtually forbids the use of copper for many civilian products.

In the most far-reaching action of its kind yet taken, the order sets up these controls over both domestic and imported metal and scrap:

1. Use of copper in more than a hundred civilian articles is restricted to approximately 60 percent of a 1940 base period until January 1, 1942.

2. Use of copper in the manufacture of the articles listed is prohibited after January 1, 1942, except for nondecorative plating.

3. Use of copper in building construction is prohibited after November 1, 1941.

4. Use of copper in all items not listed is reduced to 70 percent of a 1940 base period.

The prohibited list includes seven general categories: Building supplies and hardware; house furnishings and equipment; dress accessories; jewelry, gifts, and novelties, burial equipment; automotive, trailer, and tractor equipment; and a miscellaneous list which runs from fire-fighting apparatus to toys.

Seven exceptions made

Seven exceptions are made. Restrictions do not apply to Army, Navy, Lend-Lease, or other Government defense agency contracts where the use of copper is specified; to products covered by underwriter or other safety regulations in effect on October 1, 1941; to copper used as a conductor of electricity; in chemical plants where corrosive action makes other materials impractical; in research laboratories; for condenser or heating exchanger tubes and tube sheets in steam generating plants and oil refineries where corrosive action invalidates the use of other materials, and in hydroelectric plants.

Reasons for the order are readily apparent in supply and demand figures for October 1941.

Army, Navy, Lend-Lease and other primary defense agency demands for the month total 144,430 short tons. Total demand, including civilian, is 259,479 tons. Total production for the month, domestic, foreign and scrap, is 138,700 tons.

Estimates for 1942 show a continuing serious situation:

Supply—1,650,000 tons, of which approximately 600,000 will be made from imported ores, subject to shipping hazards.

Demand—For defense (all military, including Lend-Lease), 1,050,000; for essential civilian, 250,000; other civilian, 1,100,000; total, 2,400,000.

Indicated shortage, 750,000.

Efforts to increase supply

Every effort for expansion of supply is being made by the Office of Production Management, including exploration for new deposits. An additional 10 percent to the million tons to be produced domestically in 1942 is about the expected limit.

Approximately 600,000 tons of copper will come from imports next year. We import copper from Chile, Peru, Ven-

ezuela, Cuba, the Philippines, and Canada, with Chile providing 80 percent of our imports.

Chilean production has increased every month since the United States shortage developed and any large increase in supply probably will come from South America where potential copper-producing areas remain unexplored.

Principal demands for copper as a defense material are in the manufacture of brass for shell casings, wire, and cable for electric transmission lines, and a variety of maritime uses where salt-water corrosion must be avoided.

Shell-casing demands alone are expected to take one-third of our 1942 supply.

The order provides for limitation of inventory to a practicable working basis and defines copper and copper alloy as any metal containing 50 percent copper. The order applies equally to scrap.

(OPM answers questions about application of the copper order—page 18.)

Scarce metals eliminated from auto decorations beginning December 15

Automobiles are going to lose some of their glitter in the interest of national defense under an order issued October 27 by Priorities Director Nelson.

Critical materials now used in the manufacture of decorative work in passenger cars are going, instead, into the manufacture of warships, munitions, and other things vital to defense.

The order provides that on and after December 15, 1941, the use of bright finish, bright work, metal finish, or body trim containing aluminum, copper, nickel, or chrome shall be discontinued in the production of new passenger cars, except where special permission is granted for bumpers.

There shall be no further production of such bright work, effective immediately, except in amounts necessary to complete passenger automobiles scheduled to be completed before December 15.

Minimum use for plating bumpers

Permission may be granted to use the restricted materials in the plating of bumpers and bumper guard assemblies, provided evidence is submitted to OPM's Division of Civilian Supply showing that all possible conservation measures have

been utilized and that usage will be held to "minimum practicable quantities."

Restrictions on the use of copper in automotive equipment imposed under Conservation Order M-9-c, announced October 21, apply specifically to garage and automotive repair equipment, headlamp and headlamp parts, heaters, horns, hub and gas tank caps, miscellaneous fittings and trim, mouldings, and rear view mirrors and hardware.

The limitation order issued October 27 does not specify what constitutes bright finish, bright work, metal finish, or body trim. Its restrictions apply not only to copper, but also to nickel, chrome, and aluminum.

Substitute other materials

Scarce and critical materials, which must be conserved for defense, have been used by automobile manufacturers in the following: Windshield wipers, window and windshield molding, lamps, exterior and interior body trim, door, regulator and compartment handles, instrument panel parts, steering wheels, radiator grills, hub caps, license plate holders, mirrors, horns, running board molding, heater units, radio equipment, seat adjuster handles, collapsible top equipment, bumper assemblies, etc.

MEDIATION BOARD . . .

Alabama coal workers return; Lewis refuses to prevent "captive mine" strike

The National Defense Mediation Board last week (October 20-26) settled the Alabama coal case by recommendations which were accepted; settled two other cases by agreement; made recommendations in the captive coal mine and Vana-dium cases; announced that a special representative would be appointed to investigate the issues in a sixth case, and received certification of 4 new cases.

Alabama coal mines

On October 22, the Board made public its recommendations for settling the controversy between the Alabama coal operators and the United Mine Workers, District 20, CIO. These recommendations contained provisions for a wage increase of 25 cents a day, a \$20 vacation payment and the partial absorption of the washer loss by the operators. Several other minor points had been settled by collective bargaining between the parties. The recommendations were accepted by both parties and the 15,000 miners in the commercial mines in that State returned to work October 27. An unauthorized strike had closed the mines October 20.

William H. Davis, chairman of the Board; Walter Teagle, and Hugh Lyons composed the panel which heard the case and issued the findings and recommendations. On September 6, the UMW had called off, at the request of the Board, a strike begun on September 2 and hearings had been held at various times during September and October. The mine workers had demanded a wage increase of 40 cents a day, abolition of the washer loss clause, and vacation pay. On the first point, the Board after an exhaustive survey of the competitive and economic situation confronting the Alabama operators concluded that the operators should grant no more than an additional 25 cents per day until April 1, 1942. It added, however, that if a new cost determination is made by the Bituminous Coal Division prior to April 1, 1943, and shows a reduction in cost, then the miners shall be given the benefit of one-half of that reduction up to but not exceeding an additional 15 cents per day. The Board also recommended that the Bituminous Coal Division make a determination as soon after April 1, 1942, as possible of the net realization of the operators from June 1, 1941, to March 31, 1942. If the net realization exceeds the average for June, July, and August, 1941, then the basic daily wage from April 1, 1942, to March 31, 1943, shall be increased by one-half the increase, but not to exceed 15 cents a day. The Board recommended that the operators absorb about one-third of the average washer loss, the effect being an increase in the tonnage rates of 4 cents a ton.

Mr. Lyons, the labor member of the panel, dissented from the Board's recommendations on two points—the wage increase of 25 cents and the washer loss recommendation. He said that the UMW should have been granted the full 40 cents a day increase and that a formula should have been worked out under which the operators would eventually assume the entire cost of the loss due to washing the

coal. The Board by its recommendations, he said, was "temporizing with an admitted evil."

Captive coal mines

At a press conference on October 24, Chairman Davis announced the Board's recommendations in the dispute between the captive coal mine operators and the United Mine Workers, CIO. The recommendations contained two alternative proposals for settling the long-disputed union shop issue between the parties as follows: "(1) If the parties are willing to agree beforehand that the recommendations of the National Defense Mediation Board will be accepted, the chairman of the Board will refer the question for final decision to a full board composed of eleven members . . ."; and (2) the parties shall agree upon a joint board made up of an equal number of representatives of both operators and miners who will endeavor to reach an agreement, and if they fail to do so, this joint board shall together select an arbitrator "who shall have the power to make a final decision binding upon both parties." The Board recommended that in any case, the parties should extend the temporary agreement under which production had been resumed in the mines since September 19.

Under that agreement, both parties accepted the terms of the Appalachian agreement with the exception that the union shop clause was to remain inoperative while negotiations were in progress.

Earlier in the week, John L. Lewis, president of the UMW, had written to Mr. Davis giving formal notice that the temporary agreement would expire Saturday, October 25, at midnight. This was in accordance with the terms of the agreement which stated that after the expiration of the 30 days truce, 3 days notice in writing from either party could terminate the agreement.

At the same time the recommendations were released, Mr. Davis, at the request of the White House, released the following statement:

"The President has considered the recommendations of the National Defense Mediation Board made this afternoon in the bituminous captive coal mine dispute. He has suggested to William H. Davis, chairman of the Board, that Mr. Davis request Mr. Myron Taylor of the United States Steel Corporation and Mr. John L. Lewis, president of the United Mine Workers of America, to assume the leading positions on the two sides of the joint board, if the parties to the dispute adopt the second alternative procedure recommended by the Mediation Board.

"The President has also suggested that Mr. Taylor and Mr. Lewis associate with themselves on the joint board such other representatives of the captive mines and of the United Mine Workers as they themselves might select.

"The President has requested Mr. Taylor and Mr. Lewis to make themselves available for this important duty. He has also requested them to arrange immediately for a continuation of production in the mines as recommended by the Mediation Board. This can be done by extending the duration of the agreement made with the Board on September 19."

Late Saturday, Mr. Lewis told the President in a letter that he was willing to talk with Mr.

Taylor but was unwilling to call off the strike.

The same panel as in the Alabama coal dispute—William H. Davis, Walter Teagle and Hugh Lyons—heard the captive coal mine case and again, as in that case, Mr. Lyons dissented from the recommendations, stating that the Appalachian agreement should be signed without change by the operators involved.

In its recommendations, the Board stated: "The evidence presented during the conferences before us shows—

"(1) That on the one hand the mines involved in this dispute have been operated under contracts with the United Mine Workers since 1933 which contracts did not include the union-shop provision, and on the other hand that the union-shop provision has been accepted by substantially all of the commercial operators and by some of the operators of captive mines, including some of the steel companies, so that substantially 90 percent of the total annual production of bituminous coal is under union-shop contracts.

"(2) That all of these mines have the voluntary check-off of union dues from the wages of those workers who indicate their desire to have the company make the deduction. The figures submitted to us by the companies on the basis of these voluntary check-off cards show that a very large majority of the mine workers, exceeding 95 percent in many of the mines, now belong to the union.

"We put to the conference before us the question—Why under such circumstances the United Mine Workers press the demand for a union shop; and the correlative question—Why, under such circumstances, the operators are not willing to accept the union-shop agreement.

"Fundamentally the operators based their reply on the ground that every worker has the right to choose for himself whether he will or will not join the union, and his employment should not be made to depend upon union membership. To this the Mine Workers opposed the right of union workers to refuse to work with nonunion men . . .

"In this national emergency the fullest production of coal is essential to the national defense program. This dispute has arisen, mediation has not brought about a meeting of minds, and the Mediation Board has been called upon to make recommendations."

"It became clear to the members of the Mediation Board that there could be no meeting of minds in the conference before it with respect to the two conflicting rights asserted in the present dispute, because of the possible repercussions of any agreement here made on the steel and shipbuilding industries, in one or both of which most of the interests involved in this dispute are engaged. There are very real and important problems of union organization in those industries, and in the opinion of the Board they should be disposed of, if and when they arise, solely on their own merits unaffected by any recommendations made by the National Defense Mediation Board in this case.

"Under these circumstances we are unwilling to substitute our recommendations for a voluntary agreement. We must find some way in which an agreement between the parties can be arrived at without requiring either party to surrender beforehand the right which it asserts. That result can be reached in either one of the two ways which we now proceed to suggest."

About 53,000 miners in Pennsylvania, West Virginia, Kentucky, and Alabama and the coal mines owned by all the major steel producers in the country other than Jones and Laughlin are affected by the dispute. When the case came within the Board's jurisdiction in early September, a strike was

in progress which was ended September 23 after the temporary agreement had been reached.

American Cyanamid Co.

After 3 days of hearings in the dispute between the Calco Chemical Division of the American Cyanamid Co., Bound Brook, N. J., and the Chemical Workers Union, AFL, a settlement was announced, subject to union ratification. The terms of the agreement were not revealed but the controversy arose over wages and the type of shop. A strike involving 3,200 men was called September 29 but at the Board's request the men returned to work October 13. Telegrams to the Board from several leading figures in the rubber industry had urged speedy resumption of production as continuation of the strike for another week would have caused a shut-down in the entire rubber industry. The company makes chemicals essential to the production of rubber.

A panel composed of Walter Stacy, Roger Lapham, George Googe and Emil Rieve opened the hearings, at which time representatives of District 50 of the United Mine Workers asked to be allowed to participate. However, after it was determined that the National Labor Relations Board had denied a request by the United Mine Workers for an election in the plant and since the determinations of the National Labor Relations Board are binding, this request was not granted. The representatives of the United Mine Workers and Mr. Rieve then withdrew.

At a meeting Friday night in Bound Brook, the union ratified the agreement reached before the Board in Washington.

Arcade Malleable Iron Works

A panel composed of George Stocking, John Connelly and Hugh Lyons, after 3 days adjourned hearings in the dispute between the Arcade Malleable Iron Works, Worcester, Mass., and the Steel Workers Organizing Committee, CIO. Unable to reach an agreement by collective bargaining, the Board will appoint a special representative to investigate the issues in the controversy which are wages and closed shop. A strike of 400 workers had been in progress since August 5 but at the Board's request the men returned to work on October 4. The Company makes torpedoes, parts for aircraft guns, and has contracts with both the War and Navy Departments.

Hendey Machine Co.

On October 23, a hearing was held in the dispute between the Hendey Machine Co., Torrington, Conn., and the United Automobile Workers, CIO, to hear a report by the engineering firm appointed to investigate an incentive plan proposed by the company. The union had requested a wage increase, differential for night shifts and a union shop. The plan suggested by the company would increase both production and earnings but the firm of Stevenson, Harrison and Jordan stated that it would take some little while to install the necessary changes and that co-operation between the company and the union was necessary for its success. The report made by the engineering firm suggests several alternative proposals and no final decision has yet been taken as to which one will be adopted. The union went on strike September 5 but returned to work at the Board's request on September 22. The company, which employs 1,429 workers, makes machine tools.

International Harvester Co.

Hearings in the dispute between the International Harvester Co., Springfield, Ohio, and the United Automobile Workers, CIO, were recessed after 3 days by the panel of Charles Wyzanski, George Mead and James Carey. The hearings will be resumed later. A strike of 3,500 employees on September 23 was called off October 14 by request of the

PRODUCTION . . .

Strikes are the aggressors' greatest aid, issues can be settled, says OPM

The Office of Production Management October 22 made public the following statement:

The defense program, which is growing larger every day, depends for its success on the patriotic support of labor and management. Uninterrupted production is the pressing need. The interruption of work by strikes or slow-downs is the greatest help the aggressors can get in these days when material on the battlefields is everything.

The Office of Production Management directs attention to the fact that there is within the Government, machinery for mediation of disputes before stoppages occur. When any dispute arises, a telephone call to the Conciliation Service of the Department of Labor and the Labor Division of the Office of Production Man-

agement will be given immediate attention. Failing settlement, the dispute can be referred to the National Defense Mediation Board for final recommendation.

These means are provided in order to avoid breaks in production. We must have the man-hours on the job. Our President has said, "This is not the time to take chances with the national safety through any stoppage of defense work or defense production."

The Office of Production Management fully endorses the voluntary system set up to handle disputes, and it expects all parties involved in the production of defense material to take no action which will impede production.

Time is short. We need the man-hours; your country needs your strength and skill. Let us have all the cooperation and help possible.

Board. It had begun because of the lay-off of 480 men due to curtailment of production, and the union's demand for negotiation of a complete contract. The company makes trucks and assembly parts for the Air Corps.

Vanadium Steel Corporation

The Board on Saturday, October 25, made public its findings and recommendations in the dispute between the Vanadium Steel Corporation of Bridgeville, Pa., and the Steel Workers Organizing Committee, CIO. This case was certified to the Board on March 27, only a few days after its creation. A strike on February 10 had been called by the union over the alleged violation of its contract by the company in hiring 6 guards without notifying the union that the positions were open and thus giving preference to union men. The union also demanded that they receive pay for the time they were on strike. A one-day hearing on March 29 with the panel composed of William H. Davis, Roger Lapham and Thomas Kennedy resulted in a back-to-work agreement and the strike was ended March 31. A few days later Monsignor Francis J. Haas of Catholic University was appointed to investigate the issues. His report having been submitted, the Board made its recommendations in which it found against the union on all points and recommended that the 6 guards be retained by the company and that the strikers receive no pay for the time they were on strike.

In his report Monsignor Haas urged that the union officers who had called the strike in violation of the contract should be reprimanded and with this recommendation the Board agreed. As stated in the findings, the Board "must condemn without reserve the action of the officers of the local in violating the contract. Labor and the friends of labor have fought for years to achieve for unions contractual provisions for the peaceful settlement of grievances and disputes such as those in the contract before us. Adherence to procedures so established for the orderly settlement of industrial disputes

without strikes or lockouts is fundamental to the whole process of collective bargaining. It is peculiarly essential in this period of national emergency. To disregard such procedures once set up and to call a strike in a defense industry in violation of them is to do a great disservice, not only to labor but to the nation as a whole."

New cases

The four new cases certified to the Board last week are as follows: Sloss-Sheffield Steel and Iron Co., Birmingham, Ala., and the United Mine Workers, CIO; Alabama By-Products Co., Birmingham, Ala., and the United Mine Workers, CIO; Bell Aircraft Corporation, Buffalo, N. Y., and the United Automobile Workers, CIO; and Robins Drydock Co., New York, N. Y., and the Industrial Union Marine & Shipbuilding Workers, CIO.

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New steel plant

Recommendation for a new steel plant near San Francisco capable of turning out 500,000 tons a year of plate and 30,000 tons of steel castings has been made to the Defense Plant Corporation, it was announced October 24 by OPM Director General Knudsen.

The plant will be operated by the Columbia Steel Co., a subsidiary of United States Steel Corporation, and will be located at Pittsburg, Calif., according to the report of W. A. Hauck, steel consultant, upon which the recommendation was based.

PRIORITIES . . .

Use of waste paper by eastern mills cut 10 percent due to current shortage

Because the current supply of waste paper is inadequate to meet the needs of eastern producers of paperboard and roofing materials, a limitation order restricting by 10 percent the consumption of waste paper by eastern mill plants from October 25 to November 22, 1941 was issued October 25 by Priorities Director Nelson.

The order affects paperboard and roofing mill plants in the area east of a line running from the Canadian border through and including Buffalo, N. Y., Pittsburgh, Pa., Tallahassee, Fla., to the Gulf of Mexico.

The order became effective at 7 a. m. E. S. T., October 25, and ends at 7 a. m., E. S. T., November 22, 1941.

Consumers, defined as any mill or plant using waste paper in the production of paperboard or roofing mill products in the East, are required to cut consumption 10 percent weekly below a weekly average determined on the basis of a previous consumption period.

Temporary measure pending study

The order was recommended by the pulp and paper branch of the Division of Civilian Supply because the current

supply of waste paper is inadequate to meet the needs of Eastern producers of paperboard and roofing materials essential for national defense, private account, and export.

Pending formulation of a more direct method of allocation to individual paperboard and roofing mill plants, it is necessary to effect immediately an equitable distribution.

3 methods of computing base period

Three alternative methods of computing the base period on which the 10 percent curtailment is applied are set forth:

1. Each consumer who has produced paperboard or roofing materials from waste paper for 5 weeks or more during the 10-week period ended at 7 a. m. e. s. t. on October 4, 1941, shall total the consumption for the 5 peak weeks in that period, and determine from that figure the weekly average of consumption.

2. Each consumer who has been engaged in production for less than 5 weeks of the 10-week period shall total the consumption during the weeks of production and determine from that figure the weekly average.

3. Each consumer who has not produced paperboard or roofing materials during the 10-week period shall compute its "base" by estimating its weekly consumption when producing at peak capacity.

The order also states that consumers having inventories equal to or in excess of their weekly average consumption may

buy waste paper during the next four weeks to only two-thirds of their past purchases. Those having inventories less than the base may buy up to 90 percent of past purchases.

Consumers are required to make weekly reports until November 24 to the pulp and paper branch covering inventories, receipts, and consumption. A report also must be made on consumption during the 10-week period on which the base is computed.

Consumers must classify consumption in the following grades: Mixed, news, container (old corrugated and solid fiber boxes), all other.

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Curtailment of light trucks for civilian use continued

Curtailment of light truck production for civilian use will be continued through December under an order issued October 24 by Priorities Director Nelson.

Approximately 109,000 light trucks (those less than 1½ tons) may be produced during the 5-month period, August-December, depending upon availability of scarce materials. This is a reduction of 14 percent below the same period last year, when about 127,000 light trucks were produced.

If the production rate under the program is continued for the full model year, this year's production for civilian purposes will be approximately 261,000, compared with 370,000 in the last model year, or a reduction of 30 percent.

Much of the facilities released by the light truck curtailment may be shifted to production of light military vehicles.

Mr. Nelson also issued an order formalizing the December passenger-car production quotas, announced September 15.

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15 percent of November lead must be set aside for pool

Refiners of lead, it was announced October 22, have been ordered to set aside 15 percent of their November production for allocation by the Director of Priorities, in a supplementary order to General Preference Order M-38, which provides for mandatory priority control of the metal.

East Coast gasoline restrictions ended; British to return 40 tankers

Priorities Director Nelson revoked October 24 the priorities order which limited the distribution of gasoline in the Atlantic coast area.

This action was recommended October 23 by the Petroleum Coordinator following the release of 40 tankers by the British.

In addition to recommending to Mr. Nelson that the limitation order on the use of gasoline be lifted, Coordinator Ickes withdrew his recommendation to the oil industry that filling stations on the east coast remain closed from 7 p. m. to 7 a. m. In effect, this removes all restrictions on gasoline in the east coast area. Action by the individual dealers as to closing hours will be a matter for their own decision.

Release of the ships will be provisional, Coordinator Ickes said. If the British petroleum situation changes materially so as to require renewed tanker aid, the returned ships may have to be reassigned to the shuttle service.

British needs met ahead of schedule

Coordinator Ickes said that the return was made possible because of major improvement in the general British oil situation which was brought about by the rapid application of the American tanker and petroleum program. Because of the efficiency of the American aid, and because of improvements brought about by American arrangements, he said, the objectives of the British oil program were realized a substantial time ahead of the anticipated date.

Tank part preferences extended to more contractors

Two preference rating orders extending priority assistance to certain prime manufacturers of component parts, armament, and accessories, for medium and light-weight tanks, were announced recently by Donald M. Nelson, Director of Priorities.

Preference Rating Order P-26-e complements orders P-26-a, P-26-b, P-26-c, and P-26-d, and assigns the same rating of A-1-d to delivery of materials for the manufacture of parts, accessories, and equipment for medium tanks; medium tanks and their accessories and spare parts; 37 mm. and 75 mm. guns and mounts for installation in medium tanks, and for gasoline and Diesel engines, and engine accessories, for the tanks. This order was issued to 26 prime contractors, who did not receive the benefit of the earlier blanket rating orders.

Preference Rating Order P-25-e extends the priority rating of A-1-f to producers of light tanks. This rating covers the same items as are covered in the medium tank order, with the exception of the armament, which in the case of light tanks consists of .30 caliber and 37 mm. guns. Twelve new contractors now receive this assistance.

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Priority clinics

The Priorities Division, OPM, announced October 20 the first of a series of industrial and regional priorities clinics, designed to acquaint businessmen with the principles and application of the priorities system. The meetings will be held under supervision of the Priorities Division field service district managers.

Two industrial groups were to gather in Washington for discussion of special problems affecting them. Pulp and paper producers were to meet on October 24, and electrical manufacturers will meet October 31.

Regional meetings, to be held in the field, are scheduled for Minneapolis, on November 3; Cincinnati, November 5; Indianapolis, November 6; Rochester, November 11; East Orange, N. J., November 14, and at Pittsburgh, on November 18.

These and other meetings to be arranged are intended to obviate the necessity of industrial groups coming to Washington although the services of OPM's commodity branches are available to businessmen.

CONTRACT DISTRIBUTION . . .

Defense officials to interview 30,000 small manufacturers in tour for contracts

To make sure that no qualified manufacturer—no matter where he is—misses an opportunity to get a defense contract for lack of information, officers of the Army, Navy, Maritime Commission, and the OPM will tour the country beginning November 10 in three special exhibit trains—painted red, white, and blue.

The specials will carry exhibits consisting of samples of defense equipment and parts needed by the services to give prospective defense manufacturers a clear idea as to the types of articles needed. They will be supplemented by blueprints and specifications.

Announcing this October 21, Floyd B. Odum, director of the Contract Distribution Division of OPM, said the plan for the defense specials had been worked out cooperatively by the three services and his division.

The specials will leave Washington simultaneously on Monday, November 10, and be on the road a little more than a month. One will travel the eastern seaboard, the second will swing through the Middle West, and the third will go to the West Coast and return via the South.

Will interview 30,000 manufacturers

Officials estimated that 30,000 small manufacturers would be interviewed aboard the trains during stops of a day or more in many cities where complete information and exhibits are not normally available.

Together with defense production clinics planned in a number of large cities off the train routes, such as Chicago, Kansas City, San Francisco, and Los Angeles, the defense specials are expected to give manufacturers all over the country definite information as to whether their plants appear suited for defense production and, if so, how to go after defense work.

Officials aboard the trains will endeavor to determine what type of defense equipment manufacturers are capable of producing and guide those with suitable equipment either to defense contractors who have work to let under subcontracts or to the proper Government procurement offices. In some instances the train staffs will initiate negotiations which, carried through

at regular field offices of the services, will result in contracts.

Manufacturers may obtain admission to the trains by writing to the nearest field offices of the OPM Contract Distribution Division and, if they have not already done so, supplying detailed information regarding machine tools and other equipment of their factories.

The volume of work to be carried on in the trains will make it impossible to admit the public also, but at each stop city officials and other representatives of the community will be invited aboard.

Armed services represented

Services represented on the trains will include the Army Air Corps, Ordnance Department, Quartermaster Corps, Signal Corps, Corps of Engineers, Chemical Warfare and Medical Corps, various branches of the Navy, and the Maritime Commission.

Each train will have aboard 16 Army officers, 9 Navy officers and representatives of the Maritime Commission, and 8 representatives of the OPM. This personnel will be augmented by local representatives of the services and the OPM in the districts through which the trains pass. Thus the staff will always include officers familiar with local problems.

Other aid provided

Prospective subcontractors also meet at clinics with prime contractors desiring to "farm out" work and procurement officers seeking facilities. Among the clinics now scheduled are: Chicago, October 22, 23, 24; Kansas City, November 7, 8; Los Angeles, November 17, 18; San Francisco, November 24 and 25.

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Ohio field office opened

A field office of the Contract Distribution Division of OPM has been opened at Youngstown, Ohio, to help qualified manufacturers to obtain defense work, Director Floyd B. Odum announced October 24.

The address of the new office is 1002 Union National Bank Building.

This brings the total number of Contract Distribution field offices to 54.

Grand Rapids and 6 other communities certified for special contract treatment

The Office of Production Management certified to the War and Navy Departments October 21 that Grand Rapids, Mich., and six other communities in different parts of the country face severe unemployment due to the shortage of materials for nondefense production and should be given special consideration in the placing of defense work.

In addition to Grand Rapids, which is a city of 246,000 population, the areas certified for special treatment were Eatonton, Ga.; Greenville, Mich.; Ripon, Wis.; Newton and Kellogg, Iowa, and Mansfield, Ohio.

The certifications were based upon investigations by the Labor Division of OPM as to the employment situation in each community and investigations by the Contract Distribution Division of OPM as to the defense production possibilities. Remedial programs were recommended in each case.

Summaries of each certification follow:

GRAND RAPIDS

Of the city's 40,000 manufacturing workers, more than 20 percent may be unemployed by next January unless additional defense work is placed in the community. Layoffs already have occurred in plants making refrigerators, automobile parts, refrigerator hardware and building hardware, metal furniture and metal cabinets. On the basis of a survey of selected companies, only 13 percent of the workers in manufacturing plants are now engaged in defense work.

To remedy this situation, the OPM recommended that consideration be given to the placing of contracts for a long list of defense items ranging from shell cases and wooden furniture to hardware for trucks and tanks.

EATONTON, GA.

This community of 2,400 persons faces unemployment because of the shortage of aluminum for nondefense purposes. The Enterprise Aluminum Co., manufacturer of light aluminum kitchenware and the town's largest employer of male labor, has reduced its employees from 115 to 8 and will shortly discontinue operations entirely unless it obtains defense work. The company has tried unsuccessfully to obtain defense orders. Some laid-off workers may obtain work in a fuse-loading plant at Macon, Ga., 50

miles away, but operations there will not begin until after January 1.

The remedial program for Eatonton calls for consideration of opportunities to negotiate defense contracts. It asks that all procurement officers be advised of the situation, that attention be given to possible awards involving metal stamping, welding, and other operations and specific items such as cartridge clips.

GREENVILLE, MICH.

Greenville, with a population of 5,321, has been affected seriously by restrictions upon the production of refrigerators. The Gibson Electric Refrigerator Corporation, largest single employer, has reduced its employees to 962 from a normal figure of 1,350 and further reductions are in sight. Alleviation of this situation will also assist the city of Belding, Mich., seven miles away, whose population of approximately 4,000 is

largely dependent upon the Gibson plant for employment.

The remedial program for Greenville calls for consideration of opportunities for negotiating contracts with firms in the area, with particular attention to awards involving certain operations and defense items ranging from ammunition cases and bomb fins to ambulance side-cars for motorcycles. The OPM recommended also that consideration be given to the practicability of using facilities in the community on the production of plastic items.

RIPON, WIS.

This community of 4,500 has been affected seriously by shortages of aluminum and other scarce metals for non-defense production. The Barlow-Seelig Manufacturing Co., largest employer of skilled male labor, has reduced its employees from 440 to approximately 320, with further lay-offs impending.

The OPM recommended that the Services give consideration to opportunities for negotiating contracts in the town, with special consideration to a

3 in washer industry given \$12,000,000 gun-mount contract to divide with other 31

A \$12,000,000 contract for .50 caliber anti-aircraft gun mounts has been awarded to three companies in the household washer and ironer industry, which will share the work with other members of the industry under subcontracts, the Contract Distribution Division of the Army advised the OPM October 21.

The contract was negotiated shortly after the OPM had certified to the War Department that 34 companies in the industry faced severe unemployment due to curtailment of nondefense production and that they should be given special consideration in the placing of defense work.

Three prime contractors named

Companies which received the prime contract were the Nineteen Hundred Corporation, St. Joseph, Mich.; the Apex Electrical Manufacturing Co., Cleveland, Ohio, and the Easy Washing Machine Corporation, Syracuse, N. Y. Subcontracts will be placed with the other certified companies, Army officials said, in accordance with recommendations made by a committee representing the industry.

Details worked out by industry committee

Details of the contract were worked out at a meeting in Detroit attended by the industry committee and representatives of the Army Ordnance Department.

The case involves the first industry-wide certification under procurement policies worked out recently by the OPM and the armed services to increase defense production and prevent dislocations, wherever practicable, by spreading armament orders into plants whose non-defense production must be curtailed. The OPM, on the recommendation of its Contract Distribution Division, certified that industry was capable of producing 17 different defense items, ranging from the anti-aircraft machine gun mounts to bomb fin assemblies.

The contract is the first worked out with an industry committee, and Army officials said operations under it would be watched with great interest.

(The names of the other 31 certified companies were published in DEFENSE October 14.)

plan for the high-speed manufacture of aluminum airplane rivets.

NEWTON AND KELLOGG, IOWA

Present unemployment of over 500 in this area will be increased by approximately that number by January 1942, as a direct result of priority pressures. Approximately three-fourths of the area's industrial employment is in three washing machine plants, including the Maytag Co., the Automatic Washer Co., and the Midwest Metal Stamping Co.

In considering solutions, the OPM said, it must be recognized that difficulty in separation of machinery from the production line is one of the major problems and that attention must be given to a program for training within industry to make it possible for workmen of present skills to take up work of more exactitude required in defense production.

The OPM recommended consideration to the negotiation of contracts with companies in the area, consideration to the placing of trial orders, and particular attention to awards of specific items.

MANSFIELD, OHIO

This city of about 37,000 is largely dependent on the manufacture of durable consumers goods. Present factory employment is in excess of 13,000 workers, of whom about one-third are employed by the Westinghouse Electric & Manufacturing Co., which normally manufactures electrical refrigerators, electric ranges, electric water heaters, and electrical appliances.

As a result of curtailed refrigerator production, Westinghouse has already laid off more than 700 workers and it is estimated that a substantial additional number will be laid off in the immediate future. Westinghouse is shifting to its Mansfield plant a substantial amount of other work from other plants, even though this involves greater cost; but it is unable to make this shift rapidly enough to prevent unemployment.

Other important industries which face labor displacement include the Tappan Stove Co.; Humphreys Manufacturing Co., which produces bathroom equipment, and the Dominion Electric Co., which produces electric appliances.

Net labor displacement was estimated at 2,500 and there is a possibility it may go even higher unless additional defense work is placed in the community.

The remedial program recommended includes consideration to the negotiation of contracts and the placing of trial orders and "such additional measures" as procurement officers deem feasible.

OPM publishes list of Army items appropriate for subcontracting

In an effort to facilitate the spreading of defense work into additional plants, the Contract Distribution Division of OPM made public October 23 an Army compilation of existing contracts which seem to offer the greatest subcontracting opportunities.

The Army compiled the list in response to a request that it review items currently under contract and itemize those which seemed to offer greatest opportunities for furthering the program of "farming out" work under subcontracts.

Copies of the compilation have been sent to the field offices of the Contract Distribution Division. Small manufacturers may examine the list there and obtain advice as to which of the prime contractors listed may have work that their equipment and experience qualify them to do. The field offices will strive to put qualified small-plant owners in touch with the prime contractors who can use their facilities.

LIST OF ITEMS APPROPRIATE FOR SUBCONTRACTING

Periscope, M1 & M2—Minneapolis-Honeywell Regulator Co., Minneapolis.

Pedestal, Mount, M24—Trackson Co., Milwaukee.

20 mm Aircraft Cannon—Bendix Aviation (Eclipse Machine), Elmira, N. Y.; Munitions Manufacturing Co. (IBM), Poughkeepsie, N. Y.; General Motors Corporation, Olds Motor Works Division, Lansing, Mich.; International Harvester Co., Minneapolis.

Carriage, gun, 37 mm., M4—York Safe & Lock Co., York, Pa.; Duplex Printing Press Co., Battle Creek, Mich.; Muncie Gear Works, Muncie, Ind.

Mount, telescope, M23—Bullders Iron Foundry, Providence, R. I.

Carriage, howitzer, 105 mm. M2—American Locomotive Co., Dunkirk, N. Y.; Pullman Standard Manufacturing Co., Hammond, Ind.

Mount, machine gun, 50 cal., a. a., M2—Butterworth Co., Philadelphia.

Component parts and accessories for ranges field, M-1937—Wm. R. Boots, successor, Crescent Stove Works, Evansville, Ind.; contract W-431 QM 5554; total amount, \$184,395.20; detail (description) straps, anchor, inner, fire tank unit; straps, anchor, outer, fire tank unit; panel, front; rivets, front panel hinge $\frac{3}{16}$ x $\frac{3}{8}$; mirrors, front panel; screws, set front panel $\frac{5}{16}$ x $\frac{3}{8}$; screws, mixing chamber $\frac{1}{4}$ x $\frac{1}{2}$; screws, filter case cup; tanks, fuel, assembly; tanks, air, assembly; shields, field tank; caps, fuel tank filler; valves, air input assembly; stems, air input valve; bodies, flame valve; shutters, air; chambers, mixing; burners; rods, burner control; generator assemblies; yokes; cap, filter case No. 154.

Cots, folding, steel—Simmons Co., New York City; factories: Kenosha, Wis.; Elizabeth, N. J.; contract W-199 qm-21102; \$361,900.00.

Lockers, trunk—Pugitt Brothers Co., Dallas, Tex.; W-199 qm-21229; \$90,000.

Osgood Diesel Cranes—Osgood Co., Marion, Ohio; W-1311 qm-177; \$115,400.00; type 80, model 805 Osgood Diesel cranes.

Crawlers Cranes No. 307—General Excavator Co., Marion, Ohio; W-1311 qm-178.

Engines—Boat—Hall Scott Motor Co., Newark, N. J.; W 1311 qm-187; \$465,654.00; 600-horsepower engines for 100-foot rescue boats.

Retrieving vessels—Sturgeon Bay S. B. & D. D. Co., Sturgeon Bay, Wis.; W 1311 qm-142; \$1,215,000.00; 150-foot retrieving vessels (Air Corps allotment).

Barges, steel—Equitable Equipment Co., New Orleans; W 1311 qm-154; \$266,400.00; 120-foot all-welded steel barges. Allen Boat Co., Harvey, La.; W 1311 qm-191; \$130,000.00; 120-foot steel barges.

Barges, cargo—Ingalls Shipbuilding Co., Birmingham, Ala.; W 1311 qm 147; \$510,240.00.

Trucks, $\frac{1}{2}$ ton, 4 x 4 (model: T-215)—Fargo Motor Corporation, Detroit; contract 10327; \$2,809,561.20; weapon carrier, weapon carrier w/w, command reconnaissance, command reconnaissance w/w, carryall, ordnance chassis.

Trucks, $2\frac{1}{2}$ ton, 6 x 6—Yellow Truck & Coach Manufacturing Co., Pontiac, Mich.; \$36,936,055.00; cargo, cargo with winch; cargo short wheel base; cargo, with winch, short wheel base; tank.

Trucks, 4 ton 6 x 6—Diamond T Motor Co., Chicago; \$4,098,570.00; cargo with winch; wrecker with winch; ponton with winch.

Trucks, tractor—Autocar Co., Ardmore, Pa.; tractor Trucks, 4-5 Ton, 4 x 4; cab over engines.

Semi-trailers—Highway Trailer Co., Edger-ton, Wis.; \$553,363.60; Semi-trailers, 2-wheel (2dt.); combination animal and cargo (model 128-c).

Searchlight trailers—Freuhauf Trailer Co., Detroit; W-978-eng-2114 (P. O. 51832).

Air compressors—Le Roi Co., Milwaukee; W-978-eng-1822 (P. O. 51340).

Crow quill pens—Charles G. Stott Co., Washington, D. C.

Miscellaneous china—Shenango Pottery Co., New Castle, Pa.

CONTRACTS TO RENEGOTIATE

Contractor

Radio Set—item SCR-243; Airplane & Marine Direction Finder Corporation, Clearfield, Pa.; Order 1251-NY-41 DP 41-285; \$11,427.72.

Radio Set—SCR-206; Air Communications, Inc., Kansas City, Mo.; Order 647-CHI-41 DP 41-135; \$101,827.60.

Reel Unit—RL-31; Jacobsen Manufacturing Co.; Racine, Wis.; Order 2063-CHI-41 DP 42-4086; \$243,446.99.

Signal Generator—I-72; The Clough-Bren-gle Co.; Chicago, Ill.; Order 2143-CHI-41 DP 41-1193; \$5,790.00.

Telegraph Set—TG-5; Allen D. Cardwell Manufacturing Co.; Brooklyn, N. Y.; Order 6699-NY-41 DP 41-1710; \$48,256.00.

AIR CORPS ITEMS APPROPRIATE FOR SUBCONTRACTING

Trainers, instrument flying and landing ground—Link Aviation Devices, Binghamton, N. Y.

Miscellaneous parts, fittings and accessories—Air Associates, Inc., Bendix, N. J.

Goggles, frames and lenses—American Optical Co., Southbridge, Mass.

Packard aircraft engines—Packard Motor Co., Detroit, Mich.

Miscellaneous contracts and items—Bendix Aviation Corporation, Bendix, N. J.

Miscellaneous contracts and items such as automatic pilots—Sperry Gyroscope Corporation, Brooklyn, N. Y.

Fuel pump assemblies—Pump Engineering Service Corporation, Cleveland, Ohio.

Turbo-superchargers—General Electric Co., Schenectady, N. Y.

PRICE ADMINISTRATION . . .

Canada's price and wage ceiling system too drastic for U. S. at this stage—Henderson

OPA Administrator Henderson announced October 22 that the President had authorized the release of the following observations in connection with the recent Canadian decision to shift to price and wage ceilings after two years' use of selective commodity price ceilings such as the OPA issues:

It emphasizes the immediate need for price legislation in this country. As was indicated in your price message of July 30, we cannot arm without stable prices. The major purpose of the Canadian move was to speed their armament program by stabilizing the cost of living and the conditions under which Canadian industry operates. From the outbreak of war to August 1941 the wholesale-price index in Canada increased 27.1 percent; in this country it increased 20.4 percent; by August 1941 the cost-of-living index in Canada rose 12.8 percent; it has continued to increase. The latest figures we have in this country are for September 1941 and show a 9.6-percent rise above the August 1939 level. We too need price legislation and we need it fast.

Canada limits all commodity prices

What Canada Is Doing by Order-in-Council: Canada is putting a ceiling over all commodity prices, both agricultural and industrial, from the producers through the retailers, at the highest price which each seller received during the month ending October 15, 1941. Many services, as well as all utility rates, will also be under the ceiling.

All rents are being frozen as of a date to be specified.

The prevailing Canadian policy of gearing wages to the cost of living in *war industries* is being extended to *all other industries*.

Our resources not fully converted

Why This Step Was Taken: Conversion of Canadian industry from civilian to military production is virtually completed. More than 44 percent of their production resources are being devoted to the war effort. It is estimated roughly that about 15 percent of our own resources have been mobilized for defense. Before she reached the stage of maxi-

mum utilization of resources for military production, Canada relied on selective price control. She did this because certain price and wage changes served a useful and important purpose in stimulating output of military goods, and in attracting workers to war industries. Canada adopted a general ceiling only when these latter industries were fully manned and operating at capacity.

Canada was not only economically prepared for this step but psychologically ready. First and foremost, Canada is a nation at war. Canadian boys are fighting in Europe and Africa; naturally their families at home are willing to endure a large amount of regimentation of their daily lives. In addition, taxes are high—far higher than our own; profits and the returns to shareholders are diminishing; and wages in defense industries are already tied to the cost of living. The general ceiling helps Canada to achieve at least a measure of uniformity of sacrifice.

Wages not frozen, but geared to costs

Wages: Canada did not freeze wages, she took a base period and related increases to the cost of living. As a matter of fact, this was done in war industries as early as December 1940. Once the first step had been taken an extension of the policy was inevitable: First, because civilian industries were left free to bid labor away from vital war work; second, because the bonus system in war industries alone was operating unfairly to the government (The trouble was civilian industries would increase both wages and prices. This resulted in sharp increases in the cost of living, which in turn increased the bonus that the government had to pay in war industries). It was obviously unfair to leave the unrestrained private employers to compete with the government outside the bonus system.

What It Means to Us: Canada's move is admittedly a drastic experiment, as the Prime Minister himself stated. Its success depends in large measure on how efficiently we stabilize our prices, for the two economies and their price levels are

closely intertwined. Moreover, there are serious administrative problems. These are less formidable in a small country than in a large one, but they are unquestionably serious even there. We have not reached the state where we need or could wisely adopt the drastic control which Canada has instituted. But we do need legislation which will at least enable us to do what Canada has been doing for the past two years. If we act promptly we may yet be able to forestall more far-reaching regimentation. Our Emergency Price Control Bill is a program for the immediate future.

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COTTON GREY GOODS SCHEDULE AMENDED

Formal amendment of Price Schedule No. 11—Cotton Grey Goods, removing the carded cloths which have been transferred to the new Price Schedule No. 35, was announced October 21 by the Office of Price Administration.

As now amended, Price Schedule No. 11 is confined to cotton grey goods made of combed yarns. This schedule will be revised to tie in the ceiling prices to the price of raw "spot" cotton as OPA already has done with respect to carded yarn and carded grey and colored goods.

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Farrier named price executive of OPA chemical section

Appointment of Clarence W. Farrier as price executive of the chemical section of OPA was announced October 23 by Dr. J. K. Galbraith, assistant administrator in charge of the Price Division.

Mr. Farrier comes to OPA from the Division of Defense Housing Coordination of the Office for Emergency Management, where he served as associate regional coordinator and regional coordinator since the beginning of this year. In the 4 preceding years he was television coordinator of the National Broadcasting Co.

From 1934 to 1937 Mr. Farrier was chief assistant coordinator of the Tennessee Valley Authority.

OPA denies "understandings," takes no position on basis of silk futures liquidation

Since liquidation of outstanding raw silk futures contracts involves only payment of cash, and not transfers of actual raw silk, OPA takes no position concerning the higher-than-ceiling settlement prices fixed recently by the board of governors of the New York Commodity Exchange, OPA Administrator Henderson announced October 22.

No "informal understandings"

At the same time the administrator denied rumors that his office had agreed informally with Commodity Exchange authorities as to the basis for liquidation of the open futures contracts.

"In the settlement of these contracts only money, not silk, will change hands," Mr. Henderson stated. "That the Commodity Exchange has seen fit to rule that the contracts must be liquidated at prices well above our raw silk ceiling simply means that hedgers against actual raw silk will take a cash loss. OPA will enforce its maximum prices when any sales of actual raw silk are involved, but is not interested in levels at which silk futures contracts are liquidated pursuant to the established machinery of the Exchange.

"These levels were determined by the Exchange without any 'informal understandings' with my office, rumors to the contrary, notwithstanding."

Ceilings set August 2

OPA on August 2, 1941, established maximum prices for raw silk at the levels that prevailed on July 21. Ceiling for the base grade, D $1\frac{3}{5}$ denier, was set at \$3.08 per pound. The Commodity Exchange suspended trading in silk futures on July 25 as result of the OPM order freezing all silk stocks in the United States.

On October 16, the Exchange's board of governors ruled that futures contracts outstanding at the time trading was suspended must be liquidated at closing "clearing house prices" on July 25, which ranged between \$3.57 and \$3.65 a pound.

Hence, persons with actual raw silk holdings who had taken a hedging position in futures face cash losses, since their silk must be sold at or below the OPA ceilings, while their futures contracts must be liquidated at the higher levels determined by the Commodity Exchange.

Acetone and butanol added to chemicals under ceilings; premium for western sales

Two more industrial chemicals essential to the defense program—acetone and normal butyl alcohol (butanol)—are brought under price ceilings in schedules announced October 21 by OPA Administrator Henderson.

Both schedules became effective October 27, 1941.

Acetone ceiling 7 cents a pound

This makes a total of six price schedules issued thus far by OPA in the chemical field, the others covering formaldehyde, ethyl alcohol, acetic acid, and wood alcohol.

The acetone schedule establishes a price of 7 cents a pound, delivered in tank-car lots in eastern territory, which is defined as the States of New Mexico, Colorado, Wyoming, Montana, and all States east thereof. This is the price which prevailed in the third quarter of 1941, after an advance from 6 cents since the beginning of the year. Certain large producers are charging more than 7 cents a pound for the fourth quarter.

In the butanol schedule a ceiling price of $10\frac{3}{4}$ cents a pound is set for tank-car lots delivered in eastern territory. This compares with a third quarter price of 10 cents a pound and with a fourth quarter price of 11 cents a pound.

Premium for sales in West

Each schedule allows a premium of $\frac{1}{2}$ cent a pound above the eastern ceiling in the case of sales in western territory.

Determination of the ceiling prices for both chemicals follows long investigation and study by OPA in the course of which numerous producers were consulted. The 7 cent maximum price for acetone is considered sufficient to maintain production at present record levels.

Mr. Henderson announced that, in setting the ceiling price for butanol above the third quarter level, OPA is attempting to stimulate the use of corn as a raw material to relieve the pressure on supplies of molasses. This use of corn involves somewhat higher costs to the producers.

Acetone very important to defense

Acetone is an extremely important defense chemical and is on the "Priorities Critical List." It is chiefly used in the manufacture of cordite, a high explosive, and in the production of acetate rayon.

It is also used extensively in the production of safety glass, plastics, chloroform, and dyestuffs. As a solvent it enters into the manufacture of lacquers, leather "dopes," and paint and varnish removers.

80 percent is synthetic

About 80 percent of all acetone produced in the United States is made synthetically from petroleum gases by a few large chemical companies. The remaining 20 percent is a byproduct of butanol. Acetone production in the current year is estimated at about 250,000,000 pounds, an all-time record and an increase of almost 50,000,000 pounds over 1940. More than half of this output will be consumed by the manufacturers to make acetic anhydride and various solvents. Exports, which are substantial in normal times, have risen to record levels since the war. England is the largest taker.

Butanol, or normal butyl alcohol, is made chiefly by the fermentation of molasses and corn and about 70 percent of the total output is thus derived. The remaining 30 percent is produced synthetically from carbide. A large part of the total production, which for 1941 is estimated at 155,000,000 pounds, goes into the manufacture of butyl acetate, one of the leading organic solvents. Butanol also is used in the production of smokeless powder, lacquers, artificial leather, dyestuffs, fruit essences, paint, varnishes, motion-picture films, and pharmaceuticals.

Cover sales of 50 gallons or more

Each of the new price schedules covers sales in containers of 50 gallons or more. A top price of $8\frac{1}{2}$ cents a pound on carload lots delivered is provided for acetone sold in drums, while for sales in drums in less than carload lots a top price of 9 cents a pound, delivered, may be charged. These prices include containers.

Carload lot sales of butanol in drums may be made at not more than $11\frac{3}{4}$ cents a pound delivered, while less than carload lot sales in drums may carry a top price of $12\frac{1}{4}$ cents a pound delivered.

Sworn statements of compliance with each schedule must be submitted monthly to OPA and the producers using the fermentation process must file monthly reports showing the quantities of molasses and corn used as raw material.

Ceilings for hides, kips, and calfskins based on shipping point to equalize buyers

Ceiling prices for hides, kips, and calfskins are changed to a shipping point basis, a separate price list is set up for Pacific coast hides and dealers' commissions are abolished, in a comprehensive revision of Price Schedule No. 9 announced October 22 by OPA Administrator Henderson.

Several other changes are included in the new amendment with the object of further improving the schedule.

The latest changes come slightly more than a month after the system of price differentials was established for all grades and classifications of domestic hides and reflect the experience accumulated by OPA from studying the schedule's operation in the interim.

To afford buyers equal opportunity

By changing from a "Chicago freight equalized" basis to f. o. b. shipping point basis, OPA is affording all buyers of hides and skins an equal opportunity to compete for available supplies, irrespective of their geographical location. The "Chicago freight equalized basis" placed buyers at a disadvantage in bidding for hides and skins in distant markets.

The schedule already contained a separate price list for Pacific coast calf and kipskins, recognizing the established standards of selection, delivery, and grading followed in that area. Since these standards also apply to hides, OPA has now set up a separate price list for them. The new maximum prices for Pacific coast hides are 13½ cents per pound for steers and cows, and 10 cents a pound for bulls.

The decision to prohibit dealers from charging service commissions on goods sold for their own account results from disclosure that many dealers have been charging commissions on all sales whether or not any special service, such as receiving hides, was performed for the buyer.

Other changes

Other changes include:

1. A single weight classification for packer and Chicago City kipskins. These are now defined as skins weighing from 15 to 30 pounds, instead of one group weighing from 15 to 25 pounds and another group weighing 25 pounds and up.

2. It is provided that on all sales of mixed lots of hides and skins, unless

the quantities of each type or grade are determined by actual inspection and separately priced, the maximum price for the lot must not exceed the ceiling price for the lowest type or grade in the lot.

When calfskins are sold on an unselected basis, i. e., flat for No. 1's and No. 2's, the maximum price for the lot shall be the maximum price for No. 2's. In the case of kipskins sold on an unselected basis, the maximum price for the lot shall be the applicable maximum less 1 cent per pound.

Differential increased

3. The differential between trimmed hides and untrimmed hides in "other than packer" classifications is increased from ½ cent to 1 cent a pound.

4. All skins (other than Pacific coast skins) which are not trimmed according to "New York standard" must not sell above the maximums established for packer, Chicago City, or country calf and kip, whichever quality is applicable.

OPA approves above-ceiling sale of copper by 3 high-cost firms

Commenting on published reports that agreements have been concluded between the Procurement Division of the Treasury Department and three high-cost Michigan copper producers for the purchase of their output for a limited period at higher-than-ceiling prices, OPA Administrator Henderson issued the following statement October 21:

On August 6, 1941, the Office of Price Administration announced that a ceiling price of 12¢ per pound would be established shortly for copper. It was also stated that a method designed to insure continued production by mines having high costs had been developed.

Under this proposal, it was recommended that the production of those companies whose "out of pocket costs" were in excess of 11¢ per pound in the first six months of 1941 should be purchased by the Government at a price 1¢ a pound above such costs. The plan would only be open to qualified domestic producers already operating.

High-cost producer permitted to sell alcohol above ceiling; monthly statement required

After extensive investigation, a special exception allowing the Pennsylvania Alcohol Corporation, of Philadelphia, a small producer with costs above the industry average, to charge 5 cents a gallon more than the established maximum price for ethyl alcohol has been granted by OPA, Administrator Henderson announced October 23.

Must file monthly statement

As a condition attached to his approval, Mr. Henderson is requiring the company to file with OPA each month a detailed profit and loss statement and balance sheet; a detailed statement of the cost of ethyl alcohol produced in each month; and certified financial statements as of the close of each calendar year. Further, the administrator said, OPA reserves the right to reconsider the case at any time.

With the full knowledge of my office, Copper Range Co., Isle Royale Copper Co., and Quincy Mining Co., three of the so-called high-cost Michigan producers, subsequently entered into negotiations with the Procurement Division of the Treasury Department looking toward the sale of their output under the OPA formula. In the case of these three companies, this formula was adjusted on recommendation of the Labor Division of OPM to allow an increase of \$1 a day in wages, which had been abnormally low. It is my understanding that contracts covering sale of the production of the three companies for a limited period are nearing completion.

Contracts have full approval

Obviously, whatever prices may be involved in these agreements are above the 12¢ ceiling set by OPA. These contracts, being arrived at pursuant to the OPA formula, have the full approval of my office.

3 pulp producers cancel price boosts, avoid need for ceiling at present

Three leading producers of wood pulp for sale, acceding to a request by the Office of Price Administration, have withdrawn fourth quarter price increases ranging from \$5 to \$10 a ton, and the need to impose a schedule of ceiling prices over this important commodity has been obviated for the time being, Leon Henderson, OPA Administrator, announced October 24.

As a result of this latest development, all but one of the pulp producers represented at the October 10 meeting with OPA have become parties to individual agreements not to exceed during the remainder of 1941 the contract prices that prevailed generally during the third quarter. Sole exception is Eastern Corporation, of Bangor, Maine, which has asked for special consideration because of higher costs. This situation is being investigated.

Three to reimburse buyers

The three companies that have agreed to return to third quarter prices are International Paper Co., Container Corporation of America and St. Regis Kraft Co. Each has further agreed to refund

to buyers all amounts collected in excess of third quarter prices in the case of shipments made since October 1.

International Paper had announced increases of \$5 a ton, raising paper grade Kraft pulp to \$65 and board grade to \$60; Container Corporation had advanced its Conus brand Kraft pulp from \$60 to \$70 a ton; and St. Regis Kraft had quoted a price of \$87.50 a ton for its Tacoma brand bleached Kraft, an increase of \$5, for the month of October, proposing to determine later its new prices for the remainder of the year.

"The action of International Paper, Container Corporation, and St. Regis Kraft in returning to their third quarter prices is most gratifying," Mr. Henderson stated. "It represents a very real contribution to the efforts of OPA to maintain a stable price structure in the wood pulp industry."

Maximum prices of leading grades

Leading grades of pulp covered by the voluntary agreements and the maximum fourth quarter prices follow: Bleached sulphite, bond, and book, \$72.50 a ton, ex dock Atlantic seaboard; soda pulp, \$66 a

ton, delivered; bleached Southern and bleached Northern Kraft, \$82.50 a ton, ex dock Atlantic seaboard; and ground wood, \$40 a ton delivered. These are representative of contract prices charged during the third quarter. In the case of unbleached Northern and Southern Kraft, each producer has agreed not to exceed the September quarter contract prices. In respect to all other grades of pulp, the differentials in effect during the third quarter will be retained throughout the remainder of 1941. Export prices, according to the understandings, will not exceed those charged during the third quarter.

To meet in November

OPA plans to call a meeting of pulp producers sometime in November to discuss contract prices for the first quarter of 1942. By that time it is expected that OPA's pulp industry investigation will have been completed. Originally it had been proposed to hold this meeting in December, but the time has now been advanced in order not to interfere with the arrangement of new first quarter contracts which usually takes place in December.

There are several major types of wood pulp—mechanically ground, sulphite (bleached and unbleached), sulphate (bleached and unbleached), and soda pulp. About 95 percent of all wood pulp consumed in the United States is used by the paper industry. Integrated paper companies are self-sufficient in respect to pulp supplies and many sell pulp under contract and in the open market to other paper mills. There are about 10 major companies which produce pulp exclusively for sale.

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Simmons named adviser to May in charge of textile research

Appointment of Francis E. Simmons as industrial economic adviser in charge of textile research was announced October 20 by Stacy May, Chief of the Bureau of Research and Statistics.

Mr. Simmons was director of research, planning and publications for the Underwear Institute of New York. Previous to that he was chief of the silk, rayon, and miscellaneous fiber section of the Bureau of Foreign and Domestic Commerce, Department of Commerce.

Zinc dust ceilings raised to reflect primary metal prices

Upward adjustment in the prices of zinc dust, important in mining and in the production of various chemicals, paints, and dyes, to reflect recent increases in prices of primary zinc and zinc dross has been approved by OPA, Administrator Henderson announced October 23.

Previously, producers of zinc dust, at the request of OPA, maintained a base price of 9.5¢ a pound, delivered in carload lots, drums returned. The new base price approved by OPA is 10.35¢ per pound, an increase of 0.85¢. For less than carload shipments the new price is 11.35¢ a pound, f. o. b. shipping point, drums not returned.

Higher on Pacific Coast

Zinc dust produced on the Pacific Coast is allowed a higher price level. For this dust, when made from primary slab zinc or "spelter," OPA approves a top price of 12¼¢ a pound for "high

efficiency" grade, delivered in carload lots, drums returned, and 12¢ a pound for the regular grade. In the case of less than carload shipments, "high efficiency" grade and regular grade shall not sell above 13¼¢ and 13¢ respectively f. o. b. shipping point, drums not returned.

Most of the 2,100 tons of zinc dust produced monthly is made from zinc dross, a byproduct of the galvanizing process. On the Pacific Coast, however, most dust is produced from primary zinc or "spelter" because of the scarcity of dross in that area. The "high efficiency" grade of dust is generally used in the cyanide process of extracting precious metals or for export.

The new prices allow zinc dust producers the same margin over costs as existed before the increase in the price of primary zinc and dross, and should assure a continued high level of production.

Processors, growers of continental raw cane sugar benefit by amended schedule

Processors and producers of continental raw cane sugar will be placed in a more favorable position through amendments to Price Schedule No. 16—Raw Cane Sugars—issued October 24 by OPA Administrator Henderson.

The principal amendment clarifies the manner in which the ceiling price for continental United States raw cane sugar is determined. The maximum price is established at the mill where the cane is ground and is the maximum price duty paid at the nearest customs port of entry less the published freight rate from the mill to the nearest refinery. The maximum price at any refinery for such sugar cannot exceed the maximum mill price plus actual transportation charges to refinery.

Under this method, at existing freight rates, the maximum price for 96 degree raw sugar at a particular mill in Louisiana would be \$3.48 per hundred pounds, less the cost of carrying the sugar to the nearest refinery. The provision that each refiner may pay the cost of freight from that mill to his refinery should permit continued active competition in the market.

Assures highest price possible

The action by the Office of Price Administration was designed to preserve existing relationships in the cane producing areas. In years when the cane crop is short it is normal for the inland refiners who have a freight advantage over the port refiners to yield part of this freight advantage to the producers of the sugar in order to maintain their volume. This year the cane crop is below average and it is natural that the price to the processor and grower should reflect this situation. The effect of the amendment will be to enhance the likelihood of the processors and growers receiving the highest price possible under the schedule and should be of substantial benefit to them.

Continues import practice

The second amendment is designed to take into account an established practice relating to import of sugar to San Francisco from Hawaii and the Philippines. It has been customary for much of this sugar to be imported under long term contracts providing for a deduction from the New York price instead of using a freight differential based on the longer

haul to New York. The amendment permits the practice to be continued in cases where it has been followed in the past providing the contracts are approved by OPA.

Determining premiums or penalties

The third amendment relates to the determination of premiums or penalties

for degrees of polarization (sucrose content) above or below the base grade of 96 degrees. The original schedule required the determination of such premiums or penalties based on the duty paid price. This created some discrepancies from the trade practice of determining such premiums or penalties on the price before payment of duty. The amendment removes these discrepancies by authorizing determination of premiums or penalties "in accordance with the method customarily used prior to August 14, 1941."

Argentine trade pact to aid consumers

Consumers stand to benefit considerably from the trade agreement signed October 14 (effective November 15) between the United States and the Argentine Republic, it is pointed out by the Consumer Division of the OPA. Reductions in United States import duties are made on imports from Argentina valued at about 36 million dollars in 1940, nearly all of them of interest to consumers. In addition to these duty reductions, concessions by the United States include the binding of certain existing duties against increase and the binding of certain other products on the free list. Altogether, concessions of one kind or another were made on 74.6 percent of total United States imports from Argentina in 1940. Duty reductions affect 44.5 percent of the 1940 imports from that country.

The principal products affected by the reduction in United States duties are listed in the adjoining table along with the effective duties before and after the agreement, expressed as a percentage of the value of each product imported from Argentina in 1939. Important food products in the table are canned beef, grapes, and certain Italian type cheeses. Other products of special interest to consumers are wools (chiefly carpet wools) and hides and skins (chiefly cattle hides), quebracho (tanning extract), canary seed, and flaxseed.

Besides the duty reductions on products listed in the table, others of less importance were made. Among these, food products include tallow, meat extracts, fresh plums, quince jelly, fresh asparagus, corned beef hash, anchovies, macaroni and similar products, and canned tomatoes.

Encourages trade in seasonal products

In commenting on the new trade agreement, Miss Harriet Elliott, associ-

ate administrator of the Office of Price Administration, said:

"One especially interesting feature of the agreement is that it encourages trade between the Northern and Southern Hemispheres in fresh foods, especially fresh fruits and vegetables. The difference in seasons between the two Hemispheres make their agricultural production naturally complementary.

"During the defense emergency when our economic system is approaching capacity operation it is particularly desirable to encourage increases in the imports of consumer goods. Such increased imports, aside from providing consumers with goods they might otherwise have to go without, incidentally absorb a portion of the excess purchasing power which threatens to produce a further rise in our level of prices.

"These advantages are in addition to advantages derived from the general policy of hemisphere solidarity and the economic defense of the Americas and the immediate direct advantages to our export trade with Argentina."

TABLE 1.—Principal imports on which United States duties were reduced in the trade agreement with Argentina¹

Product	Ad valorem equivalent of the duty (percent) ²		Imports from Argentina in 1940 (in thousands of dollars)
	Before the agreement	After the agreement	
Casein.....	98	49	\$1,111
Quebracho.....	15	7½	2,735
Canned beef.....	60	30	3,662
Certain cheeses.....	36	26	785
Grapes.....	18	9	373
Flaxseed.....	56	28	11,735
Canary seed.....	43	27	132
Certain wools.....	88	48	4,392
Bovine hides and skins.....	10	5	10,597
Total.....			35,522
Other duty reductions.....			350
Total duty reductions.....			35,902

¹ The product designations are here abbreviated; for full descriptions consult the text of the agreement.

² Based on 1939 imports.

News for Retailers

Consumers Durable Goods Industry Panels

Administrator Leon Henderson is now extending invitation to representatives of various industries embracing OPA's fourteen commodity sections to serve on advisory panels in the price field.

The purpose of the unit industry panels is to supply, from time to time, qualified advice on problems relating to price. These panels are selected with a view to having a personnel that will cover the particular industry with its branches. As occasions arise, committees will be selected from the individual panels.

While the panel is in no sense empowered to speak for the industry, its diversified membership is designed to present a cross section of the industry.

Dr. James F. Bogardus, price executive for the Consumers Durable Goods section, has panels already forming for wood furniture; cooking, heating and utensils; hard and soft floor coverings; hardware; and electrical equipment. Other panels, as conditions warrant, will be set up for office furniture and appliances, radios and batteries, all of these units comprising the scope of the activities in the consumers durable goods field.

Attendance at specific meetings in Washington and elsewhere will be subject to the convenience of the panel members.

Wood Pulp Prices

Prices of wood pulp have been stabilized for the rest of the year and, as a result, any increases in the prices of wrapping paper and paper bags necessitated by higher costs of raw materials have been averted. Because several producers have agreed to withdraw previously announced increases in contract pulp prices, OPA officials say there is no need for the time being to impose a schedule of ceiling prices.

Voluntary stabilization agreements were adopted by individual pulp producers under which maximum prices for the fourth quarter have been arrived at which are representative of contract prices charged during the third quarter.

Paper products affected by these agreements include: wrapping paper, paper bags, paper napkins, paper towels, book and printing papers, writing papers and envelopes.

The meeting of pulp producers which had originally been scheduled for December to discuss contract prices for the first quarter of 1942 will be called by OPA sometime in November. The date was advanced to avoid interfering with the arrangement of new first-quarter contracts which is customarily undertaken in December. At the November meeting the price situation will be discussed in the light of information that will then be available as a result of the investigation which OPA is conducting on all factors relating to pulp producing costs.

Consumers Durable Goods

Price ceilings established by OPA for basic commodities in the consumers durable goods field are already showing their favorable effect upon goods being produced for retail sale to the consumer.

Dr. James F. Bogardus, price executive, Consumers Durable Goods section of OPA, finds that ceilings have kept down raw material costs below what they would have been without these safeguards. Stoves and ranges, office metal furniture, including desks, files, lockers, and shelves, have been produced without serious price increases.

Raw material ceilings have had a similar effect in the washing machine, refrigerator, vacuum cleaner, and electrical appliance fields. The ceiling on formaldehyde has helped keep down the price of bakelite agitators, important in the construction of washing machines. Likewise, waste paper ceilings have benefited the hard surface floor coverings industry.

Cotton Grey Goods

Most of the types of cotton cloth that are used to make wearing apparel are now covered by price ceilings in their "grey" or unfinished state, the Office of Price Administration points out in connection with its Price Schedule No. 35—Carded Grey and Colored-Yarn Goods.

Grey goods undergo various treatment, such as shrinking, bleaching, dyeing, and printing, before they finally are sold to manufacturers who produce the finished articles. By stabilizing grey goods prices, OPA has acted to keep down the prices of a wide range of articles made of cotton cloth—from the overalls worn by farmers and workmen in many trades to men's dress shirts and ladies' broadcloth blouses.

Major types of "apparel" cotton cloth presently under price ceilings include: dimities, lawns, voile, broadcloth, poplins, piques, jeans, drills, twills, and denims.

Other important types of cotton goods for which maximum prices have been established are: Bandage cloth, cotton bagging and window shade cloth.

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Consumer protection committee organized in Cleveland, Ohio

Miss Harriet Elliott, Associate Administrator of the Office of Price Administration, has called attention to the organization by groups of citizens in Cleveland, Ohio, of a consumer protection committee which will direct the fight for maintenance of living standards in that city. Miss Elliott pointed out that this was a type of activity in which consumers generally should be interested. The Cleveland committee will guide individual consumers and organized groups in a course of action when prices appear out of line. Information on food, clothing, and shelter will also be gathered and disseminated.

The committee is an outgrowth of a city-wide meeting recently held in Cleveland as a protest against advancing living costs. At the meeting ways were discussed by which the consumer can protect his standard of living during the present emergency and cooperate in the defense program by conserving strategic materials.

Undertake action program

In addition to the setting up of the consumer protection committee, steps are being taken in Cleveland, as was suggested at the meeting, to:

1. Start a daily, noncommercial, market news broadcast to inform housewives of the best food buys of the day, both from the point of view of which fresh food products are plentiful and therefore inexpensive, and which are "good buys" because of exceptional quality.
2. Distribute a daily column to newspapers to tell not only which are the "best buys" in the fresh food market, but also how consumers can cooperate in the defense program by conserving strategic materials and using substitutes if necessary.
3. Set up a speakers' bureau of persons experienced in the consumer field and who are qualified and available to address local meetings.
4. Organize committees to shop and compare prices so that the consumer will know what to buy to get the most he can for the money he has to spend.
5. Set up a consumer information center, where consumers can come for information on how the defense program is affecting the price, supply, and quality of goods in Cleveland, and where they can obtain suggestions as to how they can cooperate in the defense program by conserving strategic materials.

LABOR . . .

Advised against taking builder's low bid to avoid labor strife, Hillman says

A belief that the award of a construction contract to the P. J. Currier Co. of Detroit would result in labor warfare moved Sidney Hillman to advise against accepting that company's low bid, Mr. Hillman told a Congressional committee October 22. To the Special Senate Committee Investigating National Defense, the OPM Associate Director General outlined his labor policy and denied that the stabilization agreement with the building trades forces the Government to deal only with employers of AFL workers.

Excerpts from Mr. Hillman's statement follow:

I am glad to have the opportunity of explaining to your committee the policy which guided the action of the Office of Production Management and the Labor Division in the so-called Currier case, on which so much attention has been centered. In order to do so, it is first necessary for me to define my own particular functions. My task is to make sure, as far as possible, that production proceeds without the interruptions that might arise from unsound labor practices. This assignment also involves insuring an adequate, qualified labor supply to meet the ever-growing requirements of our defense effort.

Stabilization agreements desirable

Not long after the National Defense Advisory Commission was established in 1940, it was recognized that labor stabilization agreements in defense industries were highly desirable if our defense program were to go forward at the necessary pace. One of the basic industries in which stabilization was particularly urgent was that of shipbuilding.

We of the Labor Division, therefore, inaugurated stabilization conferences in the various shipbuilding zones. As a result of these conferences, stabilization agreements were established throughout the country, setting up basic wage rates, shift standards, and other uniform working conditions, and also eliminating strikes and lockouts. On my recent trip to the West Coast, management and labor and Government spokesmen all assured me that the Pacific Coast stabilization pact was largely responsible for both improved output and improved morale.

An industry no less important than shipbuilding is that of defense construction. All the Government agencies engaged in defense construction saw the necessity of a stabilization agreement for this important industry. In the spring of this year they asked me whether I could not arrange a stabilization agreement for construction similar to that which was proving so successful in shipbuilding.

General Somervell—who is in charge of construction in the Quartermaster Corps—pointed out the many difficulties and variations in labor conditions and practices which Government agencies were seeking to surmount. His position was supported by Admiral Moreell—in charge of the Navy's Bureau of Yards and Docks.

Armed services initiate conferences

These and other officials complained that Government agencies were, often placed in the position of competing for labor—one branch of the armed services pitted against another. Frequently, one or the other would have to offer higher wages, to maintain a labor supply adequate for the job.

Joint conferences thereupon took place between representatives of the Government agencies engaged in defense construction, and representatives of the Building Trades, with its 19 affiliated crafts. The purpose of these meetings was to find ways of keeping down the ultimate cost of defense construction projects and at the same time to bring about the speed which is so vital to the success of our program.

I wish to emphasize again, gentlemen, that these conferences were initiated by representatives of the armed services. They wanted my help and that of the Office of Production Management in coping with disorderly and haphazard labor conditions.

Some of the country's most capable and experienced construction men and engineers in the country were called in to work out the principles of an efficient stabilization program. General Somervell and Mr. James Mitchell represented the Construction Quartermaster Corps. Colonel Lorence represented the Engineer Corps. Admiral Moreell and Com-

mander Dunlop represented the Navy. Admiral Land and Mr. Daniel Ring represented the Maritime Commission. Mr. Lapp and Mr. Fitzpatrick represented the Federal Works Agency.

In the construction field, practically all organized workers were affiliated with the American Federation of Labor. So, of necessity, the Government agencies dealt with the unions which had the members.

Proud of agreement

They negotiated an agreement of which I am extremely proud. The agreement was arrived at without the intervention in the negotiations of any representative of OPM. It deals only with the broad principles making for stability of industrial relations in the field of construction.

The *first* paragraph deals with uniform overtime rates.

The *second* paragraph deals with uniform shifts.

The *third* provides against stoppages of work.

The *fourth* makes fair provision for subcontracting, in an effort to protect more fully the interests of the small businessman.

The *fifth* provides for a predetermination of wage rates by stipulating that consideration shall be given to the rates prevailing in the area from which labor must be drawn to man the job.

The *sixth* provides that the agreement shall be Nation-wide.

The *seventh* provides for sound development in the number of apprentices.

Finally, the agreement sets up a Board of Review.

Applies to over 500 projects

This agreement is currently applicable to more than 500 active projects, running to billions of dollars, under the jurisdiction of the Army, Navy, Maritime Commission, and other Government agencies. Although in operation only since August 1, the stabilization pact has worked distinctly to the advantage of both Government and labor. It is pertinent to note that the Defense Plant Corporation, which had not been included in the original negotiations, later requested that it be made a party to the provisions of the stabilization agreement.

The benefits which the Government has derived from this agreement are so great that I feel that they merit brief comment. Many of the A F of L build-

ing crafts had been receiving double-time for overtime work. The conferees, however, were able to obtain an agreement which eliminated double time payments and established a uniform rate of time-and-a-half for overtime.

I am informed by the Construction Quartermaster of the War Department, that this reduction in overtime rates will save the Government enormous sums in defense construction already under way.

Labor made several other important concessions. It agreed to put in three shifts a day whenever the Government agencies desired it, without any additional compensation for the late shifts.

Strikes outlawed during emergency

Furthermore, the unions agreed that, during the emergency, all strikes and stoppages of production would be outlawed, thereby guaranteeing an era of industrial peace in an industry where continuous production is crucial to defense.

As a corollary of the provision against strikes and stoppages, both Government and labor agree to arbitrate any differences that might arise. A Board of Review was, therefore, set up to interpret and apply this stabilization pact. Its decisions are to be final and binding upon all parties. This Board consists of one representative from the American Federation of Labor's Building Trades Department, one representative from the Government construction agencies, and one from the Office of Production Management.

This agreement was submitted to the OPM Council—that is, to Mr. Knudsen, the Secretary of War, the Secretary of the Navy, and myself. It was given wide publicity. No complaint was ever made about it by any other department of the Government.

I wish to reply to the many misstatements and misunderstandings that have characterized this whole Currier matter.

The agreement from which I just read is the whole agreement. There are no secret or unpublished clauses. It was openly arrived at, and its terms were made public as soon as the negotiations were concluded.

No provision for closed shop

Secondly, the agreement makes no provision directly or indirectly for a closed shop. It does not harbor or foster any monopoly. No one understands this point more clearly than the A F of L itself.

It may interest you to know that, according to the information furnished me by Mr. James P. Mitchell, the labor relations adviser to General Somervell, the

list of 86 pending fixed fee construction quartermaster projects alone, contains 30 projects in which contractors employed no A F of L workers or only a fraction of A F of L members. Whereas no precise figures on this subject are available from other Government agencies, I am reliably informed that this proportion of nonunion jobs is probably typical. Certainly, in the light of this situation, it requires no elaborate logic or argument to disprove any suggestion of monopoly or of the "closed shop."

In the third place, the agreement does not prohibit the use of prefabricated materials on projects employing A F of L workers. This is also fully understood by the officers of the A F of L, any claim to the contrary notwithstanding. A F of L workers have worked on projects using prefabricated materials at Indian Head (Maryland), Camden (New Jersey), Rahway (New Jersey), Champaign (Illinois), and at other places. In fact, all army cantonment construction involves the use of prefabrication methods. And the A F of L will have no objection to working on prefabricated materials at Wayne or any other place.

The reason why the Government agencies dealt with the A F of L is very simple. It was merely that the A F of L Building Trades group represented virtually all of organized labor in the construction industry.

Nevertheless, there is nothing in this agreement which prevents the Government agencies from awarding any contract to any employer regardless of whether he operates under an A F of L contract, a CIO contract, or with a non-union shop. It is true that this agreement is applicable only to those projects where members of the American Federation of Labor are employed. But there is *nothing* which requires the Government to award contracts to A F of L employers.

The reason I have told you so much about the stabilization agreement and the negotiations which brought it about is simply that we must all regard the stability of industrial relations and of labor conditions in the construction industry as vital to the success of the defense program.

Price not sole factor

Now then, in this whole field of labor relations what is my duty? What is my special responsibility? As I have said at the outset, it is my function, among other things, to advise on labor policy as it relates to our national defense effort. In carrying out my duties it is naturally a matter of grave concern to me as to

whether the award of a particular defense contract reflects the labor policy of the national defense program, whether it tends to promote industrial accord, or whether it may make for industrial disturbance. Price cannot and should not be the sole factor in determining the award of Government contracts.

I should now like to discuss the Currier case in the light of these considerations. Briefly, bids were received for construction of a housing project in Wayne. Mr. Currier's was the lowest bid, I am informed, by some \$200,000.

My own advice to Mr. Carmody was against making the award to Currier's company. This advice was based on my belief that the award would provoke union warfare between the Building Trades and the Teamsters on the one hand and members of other labor organizations on the other hand. There is little doubt that the A F of L would have regarded the award to Currier's company as a threat to working standards and means of livelihood of A F of L workers.

My judgment was and still is against any award which would make for industrial strife. In our policy, defense must come first. We dare not gamble with defense. Any such award as was proposed in this case would have jeopardized the basic requirements of our defense program not merely in construction in Detroit but throughout that entire industrial area.

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Comstock heads 3-man board to interpret building trades pact

Appointment of Louis K. Comstock, electrical engineer and contractor of New York City and Montclair, N. J., to be chairman of the Board of Review, set up under the Building Trades Defense Stabilization Agreement, was announced October 21 by the office of Associate Director General Sidney Hillman, OPM.

Functions of the three-man Board are to interpret the provisions of the agreement between defense construction agencies of the Government and the AFL Building and Construction Trades Department and to adjust disputes arising under its operation.

Other members of the Board are: James Mitchell of the construction division of the Quartermaster General's office, who represents the defense construction agencies, and Richard Gray, acting president, AFL Building Trades Department, acting for John Coyne, president of the AFL Building Trades Department, who is ill.

Questions and answers about copper order

The Office of Production Management issued last week a series of questions and answers about the order of the Priorities Division restricting use of copper and brass. Paragraph references are to the text of the order, which appears in this week's DEFENSE SUPPLEMENT.

Q. What metals are covered by this order?

A. Pure copper, brass, bronze, and any other copper alloy in which the percentage by weight of metallic copper is 50 percent or more.

Q. Do the restrictions in paragraph (a) apply only to the items actually mentioned on list A?

A. No. The restrictions apply to the specific items and any component part of any item.

Q. Is there any restriction on the manufacture of parts which may be used in the items on list A and may also be used in other articles?

A. The restrictions in paragraph (a) apply only to parts for use in the listed articles. To the extent that the parts can be used in nonlisted articles, their production is not limited by paragraph (a).

Q. Is the use of the restricted metals in the manufacture of the items on list A immediately prohibited?

A. No. Until January 1, 1942, manufacture may be continued at a reduced rate. After January 1, the restricted metals may be used in manufacture of the listed articles only for plating, in certain cases, and under the exceptions found in paragraph (c).

Q. In computing the amount of copper or alloy which may be used in making the listed items until January 1, 1942, does the manufacturer have to include metal used between October 15 and the effective date of the Conservation Order?

A. Yes. The permitted amount of copper or alloy is to cover all use in making the listed articles during the whole 2½ months' period.

Manufacturer decides use

Q. May the manufacturer decide for himself how he is to use the metal available to him until January 1, 1942?

A. Yes; but he should bear in mind that after January 1, 1942, he may not use the restricted metals in making the listed articles except in the special cases mentioned in paragraph (c) of the order. He should try to obtain defense business. This period until January 1 should also be used to try to develop substitutes or to arrange for plating. This period is recognized as being a short time, but urgency makes speedy action necessary.

Q. If a manufacturer is now making two items included in list A, may he discontinue the manufacture of one of these articles and use in the manufacture of the other the amount of copper or alloy which he could have used in manufacturing both items if he had not discontinued one? In other words, may the manufacturer compute the amount of copper which he used during the base period in 1940 in manufacturing articles on list A and apply 50 percent of that total amount to the manufacture of only one item on list A?

A. No. Each item appearing on list A is treated separately and during the period until January 1, 1942, there may be used in the manufacture of that specific article only one-half the amount of copper used in manufacturing the same article during the base period in 1940.

Not for decorative purposes

Q. If the manufacturer makes one of the listed articles out of some material other than copper or copper base alloy, may he use

those metals on the article for decorative purposes?

A. No. The restricted articles may not be used in any way in or on the listed articles for decorative purposes, whether by plating or other application.

Q. Can copper, brass, bronze or other restricted copper alloys be used for plating the listed articles after January 1, 1942, if paint, enamel or some other surface would be practicable?

A. No. Plating will be allowed only in cases where some other form of coating would be impractical for the proper functioning of the article.

Q. In cases of permitted plating, is there any restriction on the amount of restricted metal which may be used?

A. Yes. The amount of metal used in plating each article must be less than five percent of the amount of the metal used in the unplated article immediately prior to the effective date of the Conservation Order.

Q. If the five percent limitation per article is observed, is there any limitation on the gross amount of copper or alloy which may be used in plating?

A. No. At the present time there is no restriction on the amount of restricted metal that may be used in plating articles on the list provided the 5 percent limit is observed—other than that the restricted materials may not be used for primarily decorative purposes, or where other coating would be practical.

Restrictions on plating

Q. If a manufacturer has been producing plated articles named in list A, is there any restriction on his future activities?

A. Yes. The plating must have been a necessary form of coating which could not practically be replaced, and must not have been for primarily decorative purposes. If these two requirements are met, there is no limitation on the manufacturer who has been producing plated versions of the articles named on list A.

Q. May any copper or brass sheet, strip, or screen or any article made from such sheet, strip, or screening be used in building construction after November 1, 1941?

A. Only where the use of that material is specifically and exclusively required by Underwriter or Safety Regulations which were in effect both on October 1, 1941, and at the time of the proposed use. If such regulations give the builder an option to use some other material or method of construction, copper or brass sheet, strip, and screening may not be used.

Q. If Underwriter or Safety Regulations are changed after October 1, 1941, so as to require the use of copper or brass sheet, strip, or screen in a manner now required, is compliance with such regulations allowed?

A. No, not without specific ruling by the Director of Priorities. The automatic exception only applies if the regulations were in effect October 1, 1941.

Q. Is the exception in subparagraph (1) available only to a person who has contracted directly with the Army or Navy or another of the agencies?

A. No. Any manufacturer may use copper or alloy to produce a restricted article, in order to supply it to a person who has contracted with such an agency, provided the use of copper or alloy was specified in the original contract, but this exception only allows the use of copper to the minimum extent necessary to meet such specifications.

Q. Do the exceptions in paragraph (c) apply to articles not on list A?

A. To a certain extent. The use of copper and alloy in making an article not on list A is limited to the specific percentage of the amount so used during the base period. However, in addition, a manufacturer may use copper or alloy to produce articles speci-

fied in contracts for the Army or Navy or other types of contracts mentioned in subparagraph (1) of paragraph (c), or articles described in the other subparagraphs of paragraph (c).

Order does not assure copper

Q. Is the order any indication that a manufacturer can obtain copper up to the limits named?

A. No. The order merely sets limits to the amount of copper which may be used but does not assure the obtaining of this or any amount of copper.

Q. Does the prohibition in paragraph (e) against sales or deliveries for use in violation of the order apply only to sales to a manufacturer?

A. No. It applies to all sales or deliveries. It applies to sales to a manufacturer, or to a jobber, or to a consumer. The order prevents a dealer from selling copper roofing to a contractor if he has reason to believe it will be used in violation of the order, just as much as it prevents primary producer of brass from selling to a manufacturer under the same conditions.

Q. Does the fact that an article on list A is being manufactured pursuant to a contract which bears a high preference rating permit the use of copper in the manufacture of the article after January 1, 1942?

A. No, not unless the article is being manufactured under a contract for one of the agencies listed in paragraph (c) (1) and the contract specifies the use of copper or unless the article is being produced for one of the other excepted uses under paragraph (c).

Q. Can a manufacturer of electric fans, washing machines, or other similar articles, continue to use copper in the electric motors of such machines after January 1, 1942?

A. Yes, if copper is used in the motor only to the extent required for conducting the required amount of electricity.

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Kate Smith to tell radio public how to save defense materials

Kate Smith, nationally known radio artist, October 21 wired Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, offering to join the Government's effort to save scarce materials needed for defense.

She will serve as liaison officer between the Radio Section, Office for Emergency Management, and the field of radio, in helping to inform the public about the contribution that can be made in conserving scarce materials.

In a letter to Miss Smith, Mr. Nelson had written:

"The public must be clearly and fully informed if it is to make its most useful contribution. In this task of informing our citizens of how they can help and why this help is sought, the radio must play an important role. The defense program has now reached the point where your assistance can be invaluable. Therefore, I hereby request you to help us carry the story of conservation to your millions of listeners."

PURCHASES . . .

\$50,487,959 War Department contracts cleared October 16 through October 22

Defense contracts totaling \$50,487,959 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 16 through October 22. This compares with a total of \$184,999,981 for the previous week.

Contracts for aircraft amounted to \$18,042,723; contracts for construction to \$16,190,894; contracts for equipment and supplies to \$9,306,534 and contracts for ordnance to \$6,947,808.

A compilation of announcements for the week follows:

AIRCRAFT

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; maintenance parts; \$779,454.

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; starter, switch and solenoid assemblies; \$763,135.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; airspeed indicators; \$802,200.

Jack & Heintz, Inc., Cleveland, Ohio; starter assemblies; \$808,500.

Grimes Mfg. Co., Urbana, Ohio; lamp assemblies; \$922,531.

The Leece-Neville Co., Cleveland, Ohio; panel assemblies and generator assemblies; \$648,587.

The Crosley Corporation, Cincinnati, Ohio; release assemblies; \$501,000.

American-LaFrance-Foamite Corporation, Elmira, N. Y.; fire protection equipment; \$531,959.

The Electric Storage Battery Co., Cleveland, Ohio; batteries; \$664,842.

General Motors Corporation, AC Spark Plug Division, Flint, Mich.; spark plugs; \$695,078.

Aviation Mfg. Corporation, Lycoming Division, Williamsport, Pa.; propeller blades; \$776,000.

Wright Aeronautical Corporation, Paterson, N. J.; maintenance parts for aeronautical engines; \$559,972.

American Optical Co., Southbridge, Mass.; goggle frames, lenses, temple assemblies and sun glasses; \$502,510.

Rohm & Haas Co., Philadelphia, Pennsylvania; transparent cellulose plastic sheets; \$987,360.

General Motors Corporation, Aeroproducts Division, Dayton, Ohio; propeller assemblies; \$8,099,595.

ORDNANCE

Shell Oil Co., Wood River, Ill.; nitration toluene; \$1,200,000.

American Type Founders, Inc., Elizabeth, N. J.; recoil mechanisms; \$591,100.

Uchtorff Co., Inc., Davenport, Iowa; ammunition chests; \$515,565.

E. I. duPont de Nemours Co., Wilmington, Del. (for manufacture at Niagara Falls, N. Y.); acetylene tetrachloride; \$645,293.

American Type Founders, Inc., Elizabeth, N. J.; guns, \$3,995,850.

CONSTRUCTION

Bridgeport Brass Co., Bridgeport, Conn. (Plant—Indianapolis, Ind.); expansion of existing facilities to manufacture cartridge cases; \$820,000. (Total lease agreement with

Defense Plant Corporation now \$12,320,000.)

Allis-Chalmers Mfg. Co., Milwaukee, Wis.; plant near West Allis, Wis., together with machinery and equipment for manufacture of superchargers; \$9,066,964. (Defense Plant Corporation agreement of lease.)

American Propeller Corporation, Toledo, Ohio; acquisition of additional machinery and equipment for use in existing plant for manufacture of steel propeller blades; \$3,632,306. (Total Defense Plant Corporation agreement of lease now \$10,858,350.)

O'Driscoll & Grove, New York, N. Y.; construction of Third and Fourth Echelon Motor Repair Shops, Fort Dix, N. J.; \$594,000.

Frederick Snare Corporation, New York, N. Y.; construction of pier, approach trestle, roadways, railroad and utilities for shipment of lend-lease supplies, Jersey City Shipping Terminal, Upper Bay, New York Harbor; \$2,077,624.

EQUIPMENT AND SUPPLIES

Mole-Richardson Co., Hollywood, Calif.; searchlight units; \$1,152,774.

Lima Locomotive Works, Inc., Lima, Ohio; locomotives with tender; \$562,290.

Callaway Mills, LaGrange, Ga. (Callaway Mills, Manchester Plant, Manchester, Ga., Callaway Mills, Hillside Plant, LaGrange, Ga.); 4,761,000 yards cotton tent duck; \$1,533,156.

George Wood Sons & Co., Philadelphia, Pa.; 2,502,911 yards cotton uniform lining; \$747,460.

Beaumont Mfg. Co., Spartanburg, S. C.; 1,340,000 yards cotton tent duck in the grey; \$773,180.

Reeves Brothers, Inc., New York, N. Y. (Ninety-Six Cotton Mill, Ninety-Six, S. C., Beaumont Cotton Mill, Spartanburg, S. C., Dwight Mfg. Co., Alabama City, Ala., Pacolet Mfg. Co., New Holland, Ga., Alabama Mills, Inc., various points in Ala.); 2,500,000 yards grey cotton twill tent cloth; \$693,500.

J. L. Stifel and Sons, Inc., Wheeling, West Va.; 3,000,000 yards cotton herringbone twill cloth; \$1,073,700.

Reeves Bros., Inc., New York, N. Y.; 6,000,000 yards cotton unbleached drill; \$1,529,550.

Philco Corporation, Philadelphia, Pa. (for manufacture at Sandusky, Ohio); meter sets; \$541,075.

American Automotive Electric Sales Co., Chicago, Ill.; handsets, receiver units, transmitter units, etc.; \$699,849.

SPAB policy on building construction not a blanket "stop building order"—Nelson

The office of Donald M. Nelson made public October 20 the following letter sent to Senator Alexander Wiley, of Wisconsin, by Mr. Nelson on October 18:

This letter is in response to your telephone request for further information about the policy on building construction laid down last week by the Supply Priorities and Allocations Board.

I believe the nature of this policy has been somewhat misunderstood. In substance, it is a policy for the OPM Division of Priorities to follow hereafter in granting priorities assistance on construction projects. As existing shortages in the critical metals become more and more acute it becomes more and more difficult for a builder to obtain structural steel, plumbing and heating equipment, electric wiring and equipment, and so on, without a priority rating. Within a few months it may be practically impossible for the builder to get such items without priority assistance. Consequently, the policy means that henceforward, if a builder is unable to get these metal items without a priority rating, he will not be able to get them at all unless he can satisfy the Division of Priorities that the job he is working on is essential to the Nation, either directly for national defense or indirectly as a safeguard to civilian health and safety.

Not a blanket "stop building" order

Thus, while the policy will put sharp limits on new construction which may hereafter be initiated, it is far from being a blanket "stop building" order. Such basic building materials as lumber, brick, stone, mortar, concrete, and the various clay products are not particularly scarce, are not under priority control, and hence may be obtained freely for any building job whatever. The man who plans a construction job which uses

only those materials and does not involve the use of steel, copper, and brass components is as free to go ahead now as he was a year ago.

As time passes, of course, the increasing scarcity of copper and steel will almost certainly make it impossible to get them without a priority rating. It is that scarcity which has made this policy unavoidable. Currently, the purely military demand for copper in this month of October actually exceeds the total month's production of copper in the United States, plus the total quantity of copper which the Nation will be able to import during the month. The situation in regard to steel is somewhat less acute, although a sizable shortage appears to be in prospect for 1942. It seems to be obvious that under such circumstances the country can do no less than make it a policy to use none of these materials on any job which can be postponed until the end of the emergency.

Does not apply to future building

I think it is important for everyone to understand the following point, as well: that although we have undertaken to grant help, where possible, in order that needed buildings now under construction and substantially along the road to completion may be finished, that policy will not apply to building begun hereafter. Certainly, if a builder undertakes now to start a new building without priority assistance and finds when it is half finished that he cannot complete it without getting a priority rating, he will not be able to get that rating merely on the plea that he must have help to wind up his job.

Materials will continue to be made available for defense housing, for all defense industrial construction, and for other jobs which are vitally necessary to the country's civilian health and safety. We cannot do less than that; I believe you will agree that considering the urgency of the situation today we cannot well do more.

TRANSPORTATION . . .

Nation may face truck transport shortage, Rogers reports; calls for efficient use

A warning that the country is facing a possible truck transportation shortage due to rapidly increasing demands for service, and an appeal to shippers for cooperation, was made October 23 by John L. Rogers, chairman of the central motor transportation committee, in a report to Ralph Budd, Commissioner of Transportation.

"It is vital," Mr. Rogers said, "not only in the interest of prompt movement of national defense material, but also to insure a steady flow of civilian merchandise, that shippers and receivers of motor truck freight give careful thought and attention to ways and means of obtaining maximum use of existing motor trucks."

To do this, Mr. Rogers recommended that shippers and receivers increase their loading and receiving facilities, if necessary, to speed the loading and unloading of shipments; cooperate with trucking concerns in scheduling shipments so that loading docks will not be congested; and stop the practice of using trucks for storage purposes.

Strong demands in certain sections

The central motor transportation committee, composed of representatives of the public and bus and truck operators, was appointed by Mr. Budd to formulate and execute plans to insure an adequate supply of commercial vehicles, to conserve the present supply, and to provide for their efficient use.

Mr. Rogers reported there are strong indications in certain sections of the country that demands soon may go beyond the capacity of motor carriers to handle.

"All users of motor truck service," he said, "are earnestly requested to join the motor truck operators in a great cooperative drive—'Keep 'Em Rolling!'"

Detailed recommendations for cooperation between shippers and carriers were:

1. Notify the carrier of your requirements as far in advance as possible, particularly if shipments will exceed 10,000 pounds; let him know the time the shipments will be ready and make every effort to have the shipments ready when the truck calls.

2. If several carriers call daily at your loading dock and some of the trucks are

delayed because they call at approximately the same time, an effort should be made to arrange with each carrier a time for its truck to call so that better spacing will result and congestion be reduced.

3. Shippers whose plants were designated primarily for rail loadings and whose truck loading space is inadequate to take care of the present volume of truck movements should give immediate consideration to the possibility of providing additional truck loading space.

4. A study of your less-than-truck-load shipments may reveal that frequently carriers are called upon for more than one pick-up a day and that the number of such calls can be reduced through careful planning in the shipping department.

Don't use trucks for storage

5. Do not use motor trucks for storage purposes. Arrange to have trucks unloaded promptly upon arrival and in case of trailers left at your platform notify the carrier as soon as they are unloaded.

6. Provide the drivers with as much assistance as necessary to insure prompt loadings and unloadings.

7. Merchants and manufacturers who are operating on a reduced schedule of days per week or hours per day should attempt to work out some practicable means of keeping their shipping and receiving departments open during the full business day and week, thus eliminating "second calls" and the use of vehicles for storage purposes pending reopening of receiving departments.

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LAKE ORE MOVEMENT

Reports from the four principal ore-loading railroads for the week ended October 18 showed they loaded into boats at upper lake ports 2,217,529 tons of ore as compared to 2,165,715 tons loaded during the corresponding week in 1940.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 64,875,266 tons as compared to 51,852,506 during the corresponding period of 1940.

CARLOADINGS RISE TO NEW PEAK FOR YEAR

Freight carloadings during the week ended October 18 totaled 922,884, a new peak for the year and an increase of 13.4 percent over the 813,909 cars loaded during the corresponding week in 1940. The highest previous loadings in 1941 were 919,510 cars during the week ended September 27.

The details follow:

CARLOADINGS—WEEK ENDED OCTOBER 18

	1941	1940	Percent increase
Grain and grain products.....	37,564	36,742	2.2
Livestock.....	22,805	22,359	2.0
Coal.....	167,613	120,689	38.9
Coke.....	13,042	11,699	11.5
Forest products.....	46,317	41,412	11.8
Ore.....	68,808	69,728	1.3
Merchandise l. c. l.....	169,285	158,789	6.3
Miscellaneous.....	407,450	352,491	15.6
Total.....	922,884	813,909	13.4
Cumulative—42 weeks.....	34,007,761	29,021,859	17.2

¹ Decrease.

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Lake coal movement gains

During the period October 1, through 21, there were 90,505 carloads of coal loaded into vessels at lower lake ports as compared to 54,803 during the corresponding period in 1940.

While the coal movement on the Great Lakes has been running behind last year because of the cessation of mining operations in April and because of the necessity for concentrating upon movement of ore, the October figures to date indicate greatly increased movement and informed sources say, barring unforeseen contingencies, that there will be as much coal moved on the Lakes this season of navigation as during the 1940 season.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

1941 was record year but 1942 must grow more for U. S., Britain' reserve—Wickard

Secretary of Agriculture Wickard last week patted the Nation's farmers on the back for making 1941 the "year of greatest total agricultural production in the history of the United States" and almost in the same breath told them that new high records would have to be set in 1942 if agriculture is to meet its responsibilities under the defense program.

Speaking over a Nation-wide radio network, Secretary Wickard summarized the results of four recent regional agricultural meetings called to plan production goals for 1942, and asserted: "After talking with farmers and farm leaders in all parts of the country, I have no doubt that farmers will reach their production goals in 1942 despite many very real handicaps."

1941 rate won't be enough

Other excerpts follow:

Even a repetition of the record output of farm products this year is not going to be enough to meet our needs next year. American agriculture has new responsibilities which it did not have at the beginning of 1941. It has three principal tasks: The first is to provide all the food and fiber that the American people will need; those needs will be great. We have more people at work than we've had for years; they need more food to keep up their energy and health, and they're earning the money with which to buy it.

The second responsibility placed on the shoulders of American agriculture is to produce at least a billion dollars' worth of food for the people of Britain, to enable them to continue the struggle of free people against Hitler.

Then there's a third responsibility facing American farmers—the task of producing extra supplies of food now that can be held in reserve for use when the war is over, and millions of half-starved men, women, and children in Europe will have to look to us for food.

Triple challenge faces farmers

Food for Americans—food for the British; food in reserve for the hungry peoples of Europe. That's the triple challenge that faces American farmers as they wind up the 1941 crop year and begin to plan for 1942. To meet it, American farmers next year must pro-

duce more than they ever produced before. They must set another record.

The Department of Agriculture spent many weeks gathering the information on the job ahead of the Nation's farmers. During the month of September, we met with farmers and agricultural leaders from every State in the Union. We told them the job to be done, as nearly as we could see and forecast it. We presented them with national goals for production of the principal agricultural commodities. It was the first time that such a set of goals ever had been put together. They showed how much we need of each product and how many acres and how many head of livestock and poultry will be necessary to produce the amounts needed.

I mentioned that in 1942 we need a total farm production larger than the record production that we shall have this year. This does not mean that we want to produce more of everything. There's no point in wasting labor, fertilizer, seed, land, and machinery in producing more of things we don't need—when there are so many things that we do need. We have a year's supply of cotton on hand from previous years. We don't need more cotton.

Now that the 1941 wheat crop is harvested, we have 2 years' supply on hand.

And we have more tobacco on hand than we know what to do with. So, we're planning to ask cotton, wheat, and tobacco growers to raise less instead of more.

Need more of certain crops

But when it comes to some of the other crops, and to livestock products, the story is different. We need more of them; a great deal more in some instances.

Next year we want to boost our production of milk by 9 billion pounds. We hope to get 500 million dozen more eggs; we hope to be able to butcher 8 million more hogs and 3 million more cattle.

It seems certain that we won't be able to import as much of the oils and fats as we're used to bringing in from other countries; so we'll need to make up the deficit ourselves. We can take care of our own oil needs by raising a million

and a half more acres of soybeans and about the same additional acreage of peanuts.

Shift land to needed crops

We won't need to plow up a lot of additional land to get this additional food. We can get our extra production next year by shifting some of the land from crops which are not needed to crops which are needed. We can draw on the reserves of corn and other grains in the Ever-Normal Granary to feed the livestock and poultry that will boost our production of meat, milk, and eggs.

The British have on hand large reserves of such storable foods as wheat and sugar, but when it comes to many of the vital foods, such as pork, eggs, and dairy products, their only real reserves lie in the producing capacity of the United States.

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Supplies for livestock health included in preference order

The importance of keeping farm livestock healthy is recognized in OPM's "Health Supplies Rating Plan," Amendment No. 1 to Preference Rating Order P-29.

At the request of the Department of Agriculture's Office of Agricultural Defense Relations, this order includes animal medicinals and biologicals, veterinary materials, instruments, supplies, and equipment among the items defined as "health supplies."

This portion of the order is designed to keep farmers themselves, and the veterinarians who look after farmers' livestock, provided with their usual supplies of vaccines, serums, and viruses for the control of hog cholera, sleeping sickness of horses, anthrax, distemper, and other animal diseases and plagues.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

CIVILIAN DEFENSE . . .

Civilian Defense Week, November 11-16, designed to stimulate awareness of need

Following President Roosevelt's Proclamation of the period from November 11 to 16 as Civilian Defense Week, Mayor F. H. LaGuardia, Director of the Office of Civilian Defense, issued October 23 a statement defining the purposes of the week as follows:

"The President has proclaimed November 11-16 as Civilian Defense Week.

"Its purpose will be three-fold:

1. To stimulate the people to an awareness of the need for civilian defense and the many specific ways in which people can participate.
2. To inform the people as to how local civilian defense groups are being organized and how a civilian can enroll and serve.
3. To stimulate the establishment of Volunteer Offices so that active civilian protection and community service programs can proceed promptly.

"The theme of the week will be this: The only effective answer to total war is total defense.

Local groups must carry out plans

"General plans for the week have been formulated by the Washington Office of Civilian Defense and cooperating governmental and private groups. The responsibility for carrying out and adapting national plans will fall to the regional directors of the OCD and their staffs and the State Defense Councils but the real opportunity rests with local Defense Councils to carry to all the people of the United States the story of what civilian defense means and the various opportunities for service it offers to every man, woman, and child in the country.

"I, therefore, urge that every State and local Defense Council give this program its immediate attention and do whatever necessary to translate it into action without delay."

Civilian Defense Week begins Armistice Day, Tuesday, November 11. It will be the purpose of each State and local defense council to emphasize the fact that Armistice Day is a symbol of the determination of the people of this country to preserve the ideals upon which it is founded. The State and local Defense Councils will assist the veterans' organizations in demonstrating their support

of the Civilian Defense activities in all Armistice Day celebrations.

War against waste

The second day of Civilian Defense Week, Wednesday, November 12, is designated War Against Waste Day. Its purpose is to inform the public why and how critical supplies required for national defense and essential civilian uses should be conserved.

Consumers will be urged to conserve by avoiding waste of all kinds; by proper maintenance and repair of consumer goods, and by buying only for current needs. The appeal will be directed to individuals as well as all types of organizations, including civic, labor, church, fraternal, and women's groups. Especially women's groups will be urged to organize marketing trips so as to utilize the minimum number of automobiles for the maximum number of shoppers to conserve gasoline, tires, etc.; demonstrating how to preserve food, how to get the most out of available supplies.

Thursday, November 13, will be designated as Sign Up for Defense Day. Its purpose will be to inform the public of the existence of Volunteer Offices or to stimulate their establishment and to explain the range of their activities. The emphasis will be on the fact that there is a part in the Civilian Defense Program for every individual. In possible target areas (regions vulnerable to attack extending 300 miles inland from the seacoasts), individuals will be urged to enroll as volunteers for duty as air raid wardens, auxiliary policemen and firemen, nurses' aides, etc. In nontarget areas the emphasis will be placed upon building a strong community.

Health and Welfare Day

Friday, November 14, will be designated as Health and Welfare Day. Its purpose is to emphasize the importance of a strong, secure population as the foundation for strong military defense; to minimize in the community the economic and social disturbances caused by the impact of the defense program and its consequent shortages, disruption of employment, etc., and to promote the cause of physical well-being in times of national emergency.

In observance of this day there will be special activities in cooperation with local public-health and public-welfare departments, school authorities, and housing and nutrition committees.

Civilian protection

Saturday, November 15, is designated Civilian Protection Day, on which emphasis will be placed upon the need for civilian protection, particularly in target areas, and the need for civilian participation in community-service activities. The aim will be to stimulate the desire on the part of the individual to volunteer. Some cities will stage demonstrations of the work of the various volunteer units under the Civilian Defense Program.

Sunday, November 16, is designated as Freedom Day. Its purpose will be to reaffirm our faith in the fundamental freedoms.

Clergymen of every denomination, as well as representatives of educational, civic, labor, industrial, veterans', and fraternal organizations will participate in community meetings on Sunday evening. Emphasis will be placed upon the inseparability of religious freedom and democracy.

Throughout Civilian Defense Week, civic, fraternal, professional, industrial, labor, and patriotic groups have pledged their active participation. The week will be marked by special radio and theatre programs, exhibits, forums, and school and church programs.

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45,287 defense homes ready

Charles F. Palmer, Coordinator of Defense Housing, announced October 22 that 3,001 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending October 18, making a total of 45,287 now ready for occupancy.

With 5,722 homes going into construction during the week, the total of publicly financed homes now being built or completed reaches 99,131.

Federal funds have already been allotted for 123,345 defense homes.

FHA-inspected privately financed homes started during the week totaled 4,019. Since January 1941, 178,866 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,611.

Policy in offering defense substitutes wins salesgirl prize, First Lady's praise

The reasons advanced by Beatrice Pollock, 21-year-old Philadelphia department store salesgirl, for asking customers to accept articles substituted for those withdrawn for defense needs, won the commendation of Mrs. Eleanor Roosevelt, assistant director of the Office of Civilian Defense in charge of volunteer participation.

Miss Pollock won first prize in a recent national contest among department store salesgirls for her essay, "My Part in the National Defense Program." Winner of the second prize was Mrs. Emilie V. Glazier, saleswoman in a Binghamton, N. Y., girls' shop.

"Essays show fine spirit"

"These essays show a fine spirit," Mrs. Roosevelt said. "Obviously, when the young lady speaks of offering substitutes, she is referring to articles no longer available to retailers because of the necessities of the defense emergency."

Miss Pollock's essay said:

In a democratic society such as ours, everyone may enjoy the privilege of doing his share in a common cause. As a salesgirl, I play a very important role in Uncle Sam's National Defense Program and my duties are manifold.

First and foremost, I must remember that because I am continuously in contact with Mr. and Mrs. America, I can do much (whether directly or indirectly) in conveying to them any messages that our Government wants distributed. For example:

Aiding national defense

1. When it becomes necessary for me to sell substitute merchandise (asking the consumer to accept something other than requested because of the national defense utilizing what the customer is accustomed to buying) *my part* is to point out to Mrs. Consumer how she is aiding national defense by accepting the substitute merchandise and to relate its good points and preferred qualities. I must be intelligent in the knowledge of these facts which, in most cases, prove the substitute even more satisfactory for commercial use than the original. I must never adopt the attitude of, "Oh, you can't get that any more, the Government is using it all," but instead, "This is being manufactured in its place and has proved itself most satisfactory since the other is of such great necessity in our National Defense Program."

2. I can show Mrs. Consumer how she can help Uncle Sam directly, by asking her to do comparatively little and yet accomplishing much, such as: "You can help National Defense by saving gasoline and taking small packages with you," etc.

3. I must make certain that all the merchandise I sell is properly labeled in accordance with Government requirements, and I must be truthful in "talking it up" so that my customer has confidence in what she buys, leaving with a feeling of satisfaction in her purchases and not one of uncertainty, wondering whether she has made a blind purchase.

4. Bearing in mind that Mrs. America now has more capital for buying, it is my duty

to sell her higher-grade merchandise, explaining how much more she will benefit from her investment because better merchandise will last longer. The customer must feel that she is getting the best for her money.

Alarmist buyer not an asset

5. I must be cautious never to "scare" my customer into buying a surplus because "Prices are constantly rising"—the alarmist buyer is never an asset to good, healthy business or a healthy government!

So much for business hours. What can I do when my working day is over? I can devote my leisure hours to training for home defense; working for the Red Cross, learning first aid, home nursing, air-raid training, etc. After completing these courses, I can organize groups throughout the store and instruct them.

I can buy United States Defense stamps and bonds, even organize clubs for furthering the selling of Government Bonds.

I must never forget to smile. In these uncertain times with so many young men away from home, one of my most important duties is to always be pleasant, courteous, and helpful for Mrs. America is so easily irritated!

Above all and foremost my slogan must always be *V for America!*

If I accomplish this, then I shall be both happy and proud that I have done my share in the National Defense Program.

Mrs. Glazier, the second prize winner, is the mother of two sons. She concluded her essay with the following:

I stand ready to support any movement my store may evolve to aid the Defense Program. I refuse to believe that my little

bit won't make any difference either way. I know it is the little drops that finally make the ocean.

My biggest chance to serve lies in keeping my morale high, for I know that no country is stronger than the morale of its people.

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Special assistant named in field of women's activities

Mrs. Eleanor Roosevelt, assistant director in charge of volunteer participation, Office of Civilian Defense, announced October 21 appointment of Mrs. Crystal Bird Fauset as special assistant to Mrs. Eloise Davison, assistant director in charge of women's activities.

Mrs. Fauset is a graduate of Teachers College, Columbia University, and a member of the board of trustees of the Cheyney State Teachers College, Cheyney, Pa.

A former member of the field staff of the National Board of the Young Women's Christian Association, Mrs. Fauset was the first Negro woman to serve in a State legislature.

Mrs. Fauset was appointed assistant state director of the Pennsylvania WPA Education and recreation program in 1939. She is a member of the Advisory Committee of the Philadelphia Housing Authority and Advisory Committee Adult Education Council for Philadelphia.

Maneuvers tax recreational resources of many communities in defense areas

Five hundred communities in critical areas now have active defense recreation programs, according to reports from field representatives of the Recreation Division of the Office of Defense Health and Welfare Services. These representatives have surveyed recreation needs in some 350 more. They have organized and cooperated with local recreation councils to utilize community resources effectively in providing simple necessary leisure-time activities for industrial workers and men in uniform. Federal funds have been allocated under the Community Facilities Bill for 227 additional recreation centers which could not be financed locally.

Prepare towns for influx

Recent army maneuvers have taxed the recreational resources of many small towns in the South. Recreation representatives reported their efforts to pre-

pare the towns for the influx. They found out from the army approximately where soldiers could be expected. They made suggestions to the community as to what would be needed and how to take care of these needs with economical temporary measures.

What happens when 20,000 soldiers with money in their pockets descend on a town is illustrated by a report of events in a small town in Louisiana: The men had been paid on Sunday. On Monday, the merchants were completely cleaned out, although they had taken on extra stores for the occasion. There were no commercial amusements except a few juke boxes in roadside cafes. Four recreation centers set up by the community were filled to capacity continuously. A frame with curtains around it was erected to provide for 70 showers. Ten thousand took showers there in one day. This is typical of what is happening throughout the maneuver areas.

Printing ink subcommittee

The formation of a printing ink subcommittee of the protective and technical coatings defense industry advisory committee was announced October 22 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

Members are:

P. D. Richards, General Printing Ink Co., New York, N. Y.; C. M. Reed, California Ink Co., San Francisco; W. G. Huber, J. M. Huber Co., New York, N. Y.; A. J. Math, Sinclair & Valentine Co., New York, N. Y.; J. Ellison, Lewis Roberts, Inc., Newark, N. J.; A. B. Hill, Hill-Hentschel Co., St. Louis; H. B. Hawley, Hilton Hawley Co., Cincinnati; E. J. Kelly, C. E. Bowers Co., Nashville, Tenn.; Henry George, Henry George Associates, Chicago; A. W. Chauncey, International Printing Ink Division, Interchemical Corporation, New York, N. Y.; Howard H. Flint, H. Flint Co., Detroit; R. M. Hillas, Frederick H. Levey Co., New York, N. Y.; Martin Driscoll, Martin Driscoll & Co., Chicago; Charles C. Carroll, Sinclair-Carroll Co., New York, N. Y.; L. W. Hraback, Sleight Metallic Ink Co., Chicago; W. E. Barta, Barta-Griffin Co., Worcester, Mass.; John M. Callahan, U. S. Printing & Lithographing Co., Norwood, Ohio.

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Turbines and gears

Appointment of a turbines and gears defense industry advisory committee was announced October 22.

Capt. J. O. Gawne is Government presiding officer. Members are:

L. W. Crothaus, Allis Chalmers Manufacturing Co., Milwaukee, Wis.; F. E. Burkhardt, Bethlehem Steel Co., Quincy, Mass.; H. L. Watson, DeLaval Steam Turbine Co., Trenton, N. J.; W. L. Schneider, Falk Corporation, Milwaukee, Wis.; Austin Kuhns, Farrel-Birmingham Co., Inc., Buffalo, N. Y.; J. W. Belanger, General Electric Co., Schenectady, N. Y.; F. D. Newbury, Westinghouse Electric and Manufacturing Co., East Pittsburgh, Pa.

Tentative program to meet power shortage in Southeast announced

The Office of Production Management announced October 23 it has prepared a tentative program to take care of the power shortage in the Southeast.

Meeting held in Atlanta

Four OPM power representatives, including J. A. Krug, head of the power section, met in Atlanta October 23 with State utility commissioners of Southeastern States and with private and public power representatives of the same area and representatives of the Federal Power Commission who have been cooperating with Mr. Krug in this effort, to obtain a last minute verification of the situation and to explain the program with which OPM proposes to meet it.

Responsibility in SPAB and OPM

The Executive order of August 28, establishing the Supply Priorities and Allocations Board, placed in SPAB and OPM the responsibility for fixing priorities and allocating the supply of power.

OPM is prepared to act under that order to meet the power shortage, provided heavy rains do not soon alleviate the situation. To that end, OPM, through Mr. Krug and his staff, with the cooperation of the various State and Federal regulatory commissions, would coordinate the work of public and private agencies in carrying out the order.

Die casting committee

Formation of a die casting defense industry advisory committee was announced October 23. Members are:

G. M. Rollason, manager, Die Casting Division, Aluminum Co. of America, Garwood, N. J.; Charles Pack, president, Doehler Die Casting Co., Toledo, Ohio; R. C. McCague, president, Kiowa Corporation, Marshalltown, Iowa; Norman A. Parker, president, Parker White Metal & Mach. Co., Erie, Pa.; George L. Meyer, Jr., general manager, Stewart Die Casting Division, Stewart-Warner Corporation, Chicago; Carl Heussner, metallurgical engineer, Chrysler Corporation, Detroit; D. Basch, metallurgical engineer, General Electric Co., Schenectady, N. Y.; A. E. Mervine, asst. general sales manager, New Jersey Zinc Co., New York, N. Y.; C. M. Sorenson, president, Continental Die Casting Corporation, Detroit; H. L. Harvill, president, Harvill Aircraft Die Casting Corporation, Los Angeles; Thomas E. Coleman, president, Madison-Kipp Corporation, Madison, Wis.; Arthur G. Chase, vice president, Precision Castings Co., Inc., Syracuse, N. Y.; H. H. Weiss, president, Superior Die Casting Co., Cleveland, Ohio; J. R. Townsend, mater. engineer, Bell Laboratories, Inc., Western Electric Co., New York, N. Y.; W. A. Singer, president, Apex Smelting Co., Chicago; Irwin Cornell, vice-president, St. Joseph Lead Co., New York, N. Y.; Ernest Scheller, director of research, Reynolds Metals Co., Louisville, Ky.

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Steel valve industry committee

Appointment of three additional members of the steel valve industry advisory committee was announced October 22.

New members are:

M. S. Palmer, manager, Hancock Valve Sales Division, Manning, Maxwell & Moore Inc., Bridgeport, Conn.; G. A. Daeuble, vice president, Henry Vogt Machine Co.; Louisville, Ky.; M. L. Hough, president, Darling Valve Co., Williamsport, Pa.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *Director*.

DEFENSE AID REPORTS DIVISION: Maj. Gen. Jamea H. Burns, *Executive Officer*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*; Donald M. Nelson, *Executive Director*; The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF PRODUCTION MANAGEMENT:

William S. Knudsen, *Director General*, Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich.

General Counsel, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglass C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odum, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*.

RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF CLEARANCE OF DEFENSE INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

NOVEMBER 4, 1941

VOLUME 2, NUMBER 44

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9.....	1,588,500
Navy and Marine Corps, Oct. 1....	366,629
Nonagricultural workers, Sept.....	*40,065,000
Percent increase since June 1940..	13.1
18 defense industries, Sept.....	*2,660,500
Percent increase since June 1940..	64.8

FINANCE

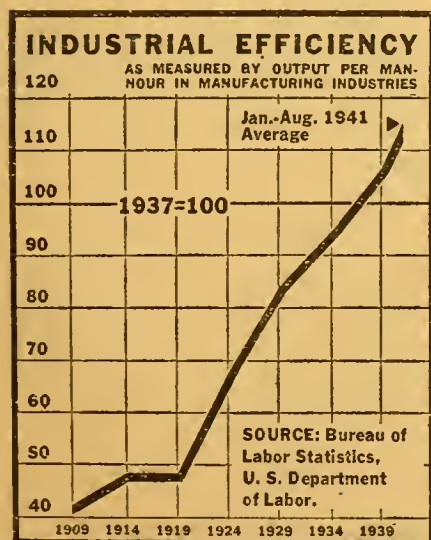
	(In millions of dollars)
June 1940 to latest reporting date	
Authorized program Oct. 31.....	*63,962
Contract awards Oct. 15.....	*39,263
Total disbursements Sept. 30.....	10,745

PRODUCTION

Paid on contracts, June 1940-	
September 30, 1941.....	\$8,464,000,000
Military aircraft, September.....	1,914
Combat vessels in September.....	*6
Merchant ships, September.....	*9

Week ended October 25	Strikes	Workers
Significant defense strikes in progress during week.....	11	13,900
Number settled.....	6	11,400

*Preliminary.



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Review of the Week in Defense

The Supply Priorities and Allocations Board last week ordered the development of a new system to route vital steel to the places where it will do the most good. With the announcement that priority ratings do not adequately check hoarding or provide a simple means of assuring that the proper types will be produced, SPAB asked the Office of Production Management to work out a plan of allocations.

Essential industries have first call

Meanwhile, in the ever-widening effort to give essential industries first call on resources, OPM took three steps affecting civilian life:

A drastic program in the Southeast, restricting the use of electricity to some industrial consumers as much as 30 percent, was ordered effective November 10—unless rains come to replenish the reservoirs which assure power for the region's aluminum industry and other important plants. Immediate discontinuance of such uses as sign lighting was ordered.

Production of washers and ironers for American homes is to be reduced 17.3 percent in a program which, if continued for a year, will release 32,000 tons of steel. The action also frees facilities for defense work, some of which already has been awarded.

Steel for "ice refrigerators" cut

Makers of domestic nonmechanical refrigerators were told to cut their consumption of steel by 35 percent, a saving of 5,000 tons a year. The restriction was applied to raw material rather than finished product in this case because "ice refrigerator" plants are equipped to substitute wood for steel in many of their requirements.

All three of these actions were taken through the Priorities Division.

While seeking to cut nonessential use of scarce materials, OPM also continued its work to increase the supply. Steel mills, producing at record speed, were given a preference rating of A-3 for essential repair, maintenance and operat-

ing material, and when plants break down a rating of A-1-a is available.

Further Action taken on metals

OPM also recommended to the Reconstruction Finance Corporation the building of the Nation's first plant designed throughout to produce electric alloy steel.

Other important action on metals:

The Office of Price Administration and other Government agencies asked railroads to reduce their rates for iron and steel products on all-rail routes to the Pacific Coast.

OPA followed up the previous week's priority restriction of copper with a program to stabilize the prices of all products made from that metal.

The Priorities Division began a Nation-wide scrutiny of steel plants' operation under the priority system.

OPM officials replied to a labor leader's criticism with figures and facts designed to show that both the national aluminum collection and the iron and steel scrap campaign of the Michigan Council of Defense grew out of a pressing need for the exact materials asked.

New offices created

In administrative changes, the creation of the Office of Facts and Figures within the Office for Emergency Management was followed by the President's establishment, also within OEM, of the Office of Lend-Lease Administration. E. R. Stettinius, Jr., will remain Lend-Lease Administrator under the new arrangement.

President Roosevelt ordered the Secretary of War to take over and operate the Bendix, N. J., plants of Air Associates, Inc., stating that the company had refused to carry out Mediation Board recommendations and thereby created a danger of complete work stoppage.

Seek coal mine settlement

The NDMB prepared to seek a final settlement in the "captive" coal mines which supply steel plants, after United

Mine Workers' president John L. Lewis acceded to President Roosevelt's third request and called off a strike.

Priority action was taken to aid the manufacture of airframes, aviation engines and propellers; essential fire-fighting apparatus; cranes and hoisting equipment for defense; and milk cans and tin plate products for the greatly increased dairying program. Priority assistance in getting delivery of repair parts and accessories was extended to all registered and certificated civilian-operated airplanes.

The Priorities Division also placed all chlorinated rubber under rigid control.

Glycerine placed under ceiling

OPA placed glycerine, vital to production of high explosives, under a price ceiling; formally reduced maximum allowable prices on aluminum scrap and secondary ingot by 1 to 3 cents a pound; refined its classifications of wastepaper to increase the number of types under price control; and amended its schedule for Douglas fir lumber to conform to trade practices.

OPA announced that because a large rayon yarn producer had adopted new prices near those in effect October 5, an over-all ceiling would not be necessary for the present. OPA told of cooperation from manufacturers of brass sheet, rod and tube in combating inflation; and persuaded four more iron and steel scrap dealers to refund amounts collected in excess of ceiling prices.

Further, OPA revealed that ceilings were in preparation for second-hand railroad rail, steel drums, and bed sheets.

The Office of Civilian Defense continued to make ready for Civilian Defense Week, November 11-16, in which it will seek to impress Americans that the new war is not a war of soldiers alone but of civilians as well.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

DEFENSE

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OPM to develop steel allocation system for gradual replacement of ratings

The Supply Priorities and Allocations Board announced November 1 that it had requested OPM to develop an allocation system for steel.

Substantial steps in that direction have already been taken in the handling of orders for steel plate, and the system has also been in use for some time in regard to pig iron.

Extension of this policy throughout the industry means that distribution of steel through priorities ratings will gradually be replaced by direct allocations, with emphasis being placed first on those types of steel most in demand for defense purposes.

Several divisions to cooperate

The system will be developed through joint operation by several groups within OPM—principally the Division of Priorities, the Division of Civilian Supply and the Iron and Steel Branch of the Division of Materials. It was emphasized that because of the size and complexity of the task it would take some time and a considerable staff to work out the respective allocations of the numerous varieties of steel products, and details regarding the precise manner in which the plan will be put into effect are still to be worked out.

SPAB's action was taken after Army and Navy officials had pointed out that increasing problems in connection with deliveries of structural steel, nickel steel, high-speed steel, tool steel and steel plate for defense purposes could no longer be solved properly through the priorities system alone.

Ratings don't check hoarding

Primary purpose of the step, of course, is to assure distribution of the available supply where it will do the most good. Operation of the existing priorities system does not provide an adequate check against hoarding and the accumulation of excessive inventories. Furthermore, under priorities there is no simple way by which the armed services and civilian consumers may be assured that the Nation's over-all steel production will be properly proportioned into the types of steel which are in greatest demand.

This balancing of production would be achieved with Service requirements in mind, so that the Army and Navy would be assured of an adequate flow of steel needed for defense. The allocation then could proceed industry by industry and

product by product, in order that the Nation's expanding steel capacity could be properly fitted to its expanding needs for steel.

History of deficiencies

Defense authorities first encountered difficulties in regard to steel in January of this year, when there developed some delay in the delivery of structural steel for defense plants. Shortly thereafter the situation in regard to steel plate became bad, and shortages were met in nickel steel and in high speed tool steel. In May, shortages of alloy steel caused some delay in aircraft production.

On May 1, OPM issued General Metals Order No. 1, designed to prevent undue increases in inventories and requiring consumers of steel to state whether their inventories were normal. On May 29 was issued the General Steel Preference Delivery Order, which gave first call on steel products to defense and more essential civilian orders.

As the situation continued difficult, on August 10 OPM issued General Order M-21, which put steel in all its forms, including alloy steel, under full priority control. This was followed on September 4 by the extension of priority treatment to steel warehouses, and on September 16 by an amendment to General Order M-21, which provided full priority control for all steel products.

Deficit grows faster than capacity

On October 2, SPAB recommended to OPM an expansion of 10 million tons in the annual ingot-producing capacity of the Nation's steel industry.

This step was taken following an extensive study of the steel situation by OPM. A report on the question of steel expansion was presented to Director General Knudsen by William S. Hauck; SPAB's approval of the 10-million-ton expansion proposal came after Mr. Knudsen had urged that such action be taken.

The Hauck report revealed that the aggregate demand for steel products currently exceeded the ability of the industry to produce steel, and showed that the rate at which this deficit in supply was growing exceeded the rate of construction of new capacity. It showed, further, that steel orders bearing A-1 to A-10 ratings had risen from 45 percent of total production in July to 57 percent

of total production in September—which, of course, meant that the amount available for civilian use was steadily decreasing.

Civilian cuts still leave shortage

Studies prepared by the OPM Bureau of Research and Statistics indicated that during 1942 total steel production would be in the neighborhood of 89 million ingot tons. Defense orders for November are being received at a rate of 60 percent of production. It is estimated that if there were no restrictions on supply, civilian orders would call for 86 million tons—a large increase over civilian consumption in recent years, due to the rise in national income incident to the defense program. A schedule of restricted civilian requirements was drawn up, indicating that on a restricted basis the civilian economy would need approximately 58 million tons of steel. Consequently, a shortage of steel even with civilian requirements restricted is indicated.

Steps were taken by OPM to reduce drastically the amount of steel flowing to civilian uses. A cut in automobile production, reducing that industry's requirements for steel by 50 percent for the 1942 model year, was ordered, and reduction programs were set up for mechanical refrigerators and for washing and ironing machines. Simultaneously, SPAB ruled that steel plate could not be used to build a pipe line from the Texas oil area to New York, and laid down a policy sharply limiting building construction to defense and essential civilian uses.

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OPA preparing steel drum ceiling below present level

A schedule establishing ceiling prices on used steel drums substantially below present levels is now being prepared by the Office of Price Administration and will be issued shortly, Administrator Henderson announced October 31.

Steel drums are widely used in transportation of petroleum products, chemicals, and food products. New 55-gallon steel drums of standard construction sell for \$2.72 each in the East. Recently the demand has been so great that prices of second-hand drums of this type have risen to nearly double the price for the new drum. The schedule will establish a more normal relation between price of the new and used product.

Railroads asked to reduce rates for iron and steel articles to Pacific Coast

The railroads were asked October 31 by the Office of Price Administration and other Government agencies to reduce freight rates, in the interest of national defense and price stability, for iron and steel articles on all-rail routes to the Pacific Coast.

The request was transmitted by G. Lloyd Wilson, director of transportation, OPA, in behalf of a number of Government departments including the Office of Production Management, the Maritime Commission, the Army, the Navy, and the Procurement division of the Treasury. The request was submitted to the Transcontinental Freight Bureau in Chicago. This is an association maintained by the railroads for the consideration of transcontinental freight rates.

For minimum carloads of 80,000 pounds

The rates proposed would be graded downward from \$1.15 per 100 pounds from the Atlantic seaboard to 75 cents per 100 pounds from Colorado shipping points to all Pacific Coast ports. They would apply to minimum carload weights of 80,000 pounds.

Present rates range from \$1.43 per 100 pounds from Atlantic seaboard points to 85 cents per 100 pounds from Colorado with minimum carload weights of 40,000 pounds and 60,000 pounds, depending on the product. It was proposed to the railroads that the suggested rates and the existing rates be used alternatively, depending upon the minimum weight of the shipment per car.

Following table shows present and proposed all-rail rates on iron and steel shipments from the key producing points shown to the Pacific Coast:

From—	To north and south Pacific Coast destinations	
	Present	Proposed
Baltimore, Md.....	\$1.43	\$1.15
Pittsburgh, Pa.....	1.27	1.10
Detroit, Mich.....	1.19	1.05
Chicago, Ill.....	1.10	1.00
St. Louis, Mo.....	1.05	.95
Kansas City, Mo.....	.99	.90
Pueblo, Colo.....	.85	.75

Ordinarily shipments of iron and steel to the Pacific Coast from eastern mills located near Atlantic ports are made via intercoastal steamships operating through the Panama Canal. Iron and steel prices on the Pacific Coast have been developed

on the basis of the relatively low rates charged by the steamship companies.

Because of the emergency, however, many of the steamships operating in the intercoastal trade have been placed in foreign service and shippers of iron and steel products have been forced to use all-rail service almost exclusively.

The higher all-rail freight charges have increased the cost of transporting the unusually large quantities of steel now needed for shipbuilding and other defense needs on the Pacific Coast and have disrupted commercial markets for iron and steel products in that area.

Railroads can increase revenues

The proposal as submitted will actually enable the railroads to increase their minimum car-mile revenues on transcontinental iron and steel traffic because of the higher minimum carload weights on which the proposed rates would apply.

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Airframe, engine, propeller ratings extended to end of '41

Manufacturers of airframes, and aviation engines and propellers, who have been operating with the assistance of preference rating orders P-3 and P-4 will continue to receive the same aid during November and December, it was announced October 27.

The two orders, assigning preference rating A-1-c to engine and propeller manufacturers, and A-1-d to airframe makers, were issued on April 29, 1941. They were extended for the month of October and now have been reextended until the end of the year, so that there may be no lapse in aircraft production while a new type of order for the industry is being studied by OPM experts.

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November zinc pool equal to 31 percent of August output

November zinc pool requirements were announced October 29 by the Priorities Division.

Producers of metallic zinc are directed to set aside an amount equal to 31 percent of their August 1941 production. Zinc oxide pool requirements call for an amount equal to 10 percent of the August 1941 production. No zinc dust need be set aside in November.

Knudsen recommends plant designed throughout to produce electric alloy steel

Construction of the first plant in the country specifically designed for the production of electric alloy steel was recommended to the RFC October 28 by Director General Knudsen, OPM.

The proposed plant, to be located at South Chicago, will be operated by the Republic Steel Co., according to a report by W. A. Hauck, steel consultant, upon which the recommendation was based.

It will have a capacity of 504,000 tons of alloy steel ingots annually, producing 317,000 tons of parts for aircraft and ordnance use.

The proposed plant is unusual, according to the report, in that it is the first in the country in which every unit from ore to finished product will be designed to produce electric furnace alloy steel.

Among the advantages listed are the facts that ample power already is available and a trained operating and supervisory force at hand. It is estimated first units of the plant can be in operation in 8 or 9 months and the entire plant going in about 15 months.

First step in the proposed operation is the development of a coal mine at Elkhorn, Ky., to produce coking coal for the plant.

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Priorities compliance section surveys steel industry

A Nation-wide survey of the iron and steel industry and its operations under the priorities system is being undertaken immediately by the Division of Priorities.

The survey will be made under the immediate supervision of the compliance and field service section.

The inspection will be the second survey by the compliance section. Field work for the aluminum industry survey has just been completed by wage-hour inspectors. Examiners of the Federal Trade Commission have been borrowed to gather factual data in the steel survey.

It was emphasized that the survey is being made for the purpose of gathering basic information. The examiners will report factually how iron and steel companies are operating under priority regulations, and will not attempt to interpret orders or to give advice about procedures. If errors in procedure or difficulties in following regulations are encountered, these matters will be handled by the Priorities Division.

PRIORITIES . . .

Domestic washer and ironer production cut 17.3 percent to save scarce materials

A curtailment in production of domestic washers and ironers from August 1 through December 31, 1941, by 17.3 percent below average monthly factory sales in the 12 months ended June 30, 1941, was ordered October 29 by Priorities Director Nelson.

The program, if continued without revision for a year, will reduce steel consumption by approximately 32,000 tons. It will effect substantial savings in consumption of other scarce materials and release facilities for defense work. In addition to steel, the industry consumes copper, brass, iron, zinc, rubber, chromium, nickel, aluminum, tin, and bronze.

Will more than cover replacements

The estimated demand for washers and ironers to replace those wearing out during the coming year is 750,000 units. Expected production will cover this by a wide margin and still leave a substantial number of units for new installations. The industry normally produces approximately 11 percent as many ironers as it does washers.

In an accompanying letter, the Division of Civilian Supply requested manufacturers to carry out to the fullest extent possible the following two-point program:

1. Make every effort to limit critical materials normally used through the adoption of conservation measures, such as substitution of less critical materials, redesign and respecification.

2. Reduce the number of models made and concentrate on the production of those models which make the most economical use of steel and other critical materials.

Some defense work already awarded

Thirty-four plants employing approximately 13,000 workers are affected by the order. Among the larger producing centers are Newton, Ia., Ripon, Wis., Peoria, Ill., Bloomington, Ill., St. Joseph, Mich., Bridgeport, Conn., Cleveland, Ohio, South Bend, Ind., Syracuse, N. Y., and Chicago.

The entire industry was certified to the War Department October 10 by the Contract Distribution Division of OPM for special treatment in obtaining defense orders. OPM found that the industry is capable of producing 17 different de-

fense items ranging from antiaircraft machine-gun mounts to bomb fin assemblies. The War Department already has awarded the industry a \$12,000,000 contract for gun mounts, which is expected to alleviate unemployment.

Large companies cut more

Under the limitation program, average monthly quotas for the industry will total 164,410 units for the period from August 1 through December 31, a decline of 17.3 percent below average monthly factory sales of 198,856 units in the 12 months ended June 30, 1941. However, the output in the 5-month period will be only 9 percent below output in the corresponding period of 1940.

Size of companies in the industry varies. It is believed that the larger companies are better able to withstand a reduction in output than are the smaller companies. Therefore, the extent of the reductions is graduated. Four different classifications and the percentage reductions to be applied to each group in the current 5 months are as follows:

	Monthly average sales 12 months ended June 30, 1941	Average reduction (percent) in current 5 months below average monthly sales in 12 months ended June 30, 1941
Class A.....	12,000 units up.....	20.
Class B.....	5,000 to 12,000 units.....	16.
Class C.....	1,200 to 5,000 units.....	12.
Class D.....	0 to 1,200 units.....	None.

In order to avoid possible inequities, provision is also made that a class A manufacturer may, instead of adopting the 20 percent reduction, produce not more than 50,400 units during the 5-month period, whichever will give him the greater output. Likewise, class B manufacturers may choose the 16 percent reduction or a ceiling of 22,000 units, and class C manufacturers may choose the 12 percent reduction or a maximum output of 6,000 units, whichever is greater.

Program discussed with manufacturers

The Division of Civilian Supply, in preparing the program, first held an industry-wide meeting to give manufacturers an opportunity to discuss their

problems and to make known to them that material shortages would force a reduction in output. A tentative curtailment program was discussed later with a panel of representative domestic laundry equipment manufacturers. This program was subsequently modified in the light of criticisms received. Thereafter, the program was discussed with representatives of a number of labor unions concerned.

Both management and labor representatives were told that the program would merely establish production maximums, and that there was no guarantee that there will be sufficient materials available to reach these maximums.

In this program, as in all others affecting civilian supply, the Government is attempting to distribute materials and products available for civilian consumption on an equitable basis, so that businesses large and small can be given some assurance on what to expect in conducting future operations.

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Chlorinated rubber put under rigid priority control

All stocks and sales of chlorinated rubber were placed under rigid priority control in General Preference Order M-46, issued October 29 by Priorities Director Nelson.

The order states that "control of the supply and direction of the distribution of chlorinated rubber is hereby taken by the Director of Priorities and all future transactions of any kind in chlorinated rubber are regulated and covered by the provisions and definitions contained in Priorities Division Regulation No. 1, issued by the Director of Priorities on August 27, 1941, except as otherwise specifically provided herein."

Producers of chlorinated rubber are directed to make deliveries only as ordered by the Director of Priorities, and the term "producer," defined in the order, includes all who have the rubber processed for them under toll agreement, or who have purchased it for resale, in addition to those engaged in its primary production.

Chlorinated rubber is produced by the Hercules Powder Company and the Firestone Tire and Rubber Company, and is usually ordered by the trade names of Parlon and Raolin. A temporary allocation of the Hercules Powder Company's October production, set up by a letter from the Director of Priorities, dated October 13, 1941, is not affected by the new order.

Drastic cut in power use ordered unless rains relieve South's vital plants

A drastic power conservation program designed to assure full and uninterrupted operation of defense plants in the Southeast despite a serious power shortage was announced October 30 by the Office of Production Management.

A few essential services exempt

The program calls for:

CURTAILMENT of power by large commercial and industrial users in seven States. This becomes effective November 10, unless heavy rains between now and then should end the shortage. Vital defense industries and a few others providing essential civilian services are exempt.

IMMEDIATE DISCONTINUANCE of the use of power for such nonessential services as sign lighting, show-window lighting, and flood lighting of athletic fields.

IMMEDIATE MANDATORY POOLING of power by interconnected systems of 40 publicly and privately owned companies in 13 States. This pooling or integration of power will make available the maximum amount of power to the area.

Rapidly mounting power needs caused by new and expanding defense industries and prolonged drouth conditions created the shortage. Water stored in reservoirs for the generation of hydroelectric power has already been drawn down to a point where further withdrawals might lead to a disastrous shortage in capacity.

Priorities orders issued

A general limitation order putting this program into effect was issued October 30 by Donald Nelson, Director of Priorities.

Under the order, a consumer may use up to 10,000 kilowatt-hours of power a month, at a rate of not over 2,500 kilowatt-hours per week without being curtailed. That means that the residential and small commercial consumer will not ordinarily be affected by the mandatory order, except that he may not use any power for the prohibited services. However, a vigorous campaign will be conducted to obtain the cooperation of small consumers in a power conservation program.

The curtailment order will apply to every nonexempt consumer who used more than 10,000 kilowatt-hours of electricity during the month for which his

meter was read between September 15 and October 14 inclusive.

A 30-percent reduction will apply to such consumers in Alabama, Georgia, Tennessee, eastern Mississippi, northwest Florida, and southeastern South Carolina including Charleston.

This 30-percent order applies to the Alabama Power Co., Georgia Power Co., Gulf Power Co. (Florida), Mississippi Power Co., South Carolina Power Co., Tennessee Valley Authority, Alabama Water Service Co., Birmingham Electric, Aluminum Co. of America (Tennessee Division), Carolina Aluminum Co. (Western Division), Crisp Power Co. (Georgia), Riviera Utilities, and Nantahala Power Co. (North Carolina). It also applies to a long list of smaller electric systems of municipalities, cooperatives, and private companies that buy power at wholesale from any of the companies just named. Among the larger cities in this area are Memphis, Birmingham, Nashville, Knoxville, Chattanooga, Huntsville, and Charleston.

Small reduction in Carolina

A 5-percent reduction is ordered in North Carolina and most of South Carolina. This smaller curtailment is all that is required to take care of defense needs in the Carolinas and to load to capacity the lines into the critical shortage area.

This 5 percent reduction applies to the Carolina Aluminum Co. (Eastern Division), Carolina Power & Light Co., Duke Power Co., Lexington Water Power Co., Lockhart Power Co., J. B. McCrary Co., South Carolina Electric & Gas Co., Tide Water Power Co., and to other companies that buy power from any of the companies just named. Among the larger cities included in this area are: Charlotte, Gastonia, Raleigh, Greensboro, Winston-Salem, Asheville, Wilmington, Durham, and Highpoint, all in North Carolina, and Greenville, Columbia, and Spartanburg, in South Carolina.

On the basis of present estimates from the larger utilities in the area, the 30 percent reduction will affect 2,273 customers served by the following companies: Alabama Power and Birmingham Electric Co., 477 customers in Alabama; Mississippi Power Co., 69 customers in eastern Mississippi; Gulf Power Co., 18 customers in northwest Florida; Georgia Power Co., 592 customers in Georgia; Tennessee Valley Authority, 1,055 customers in Tennessee, Alabama, and Mississippi; South Carolina Power Co., 62 customers in southeastern South Carolina.

Present estimates from the larger utilities in the Carolinas indicates that the 5 percent reduction will affect 1,212 customers served by the following companies: Duke Power Co., 838 customers in North Carolina; Carolina Power & Light Co., 325 customers in North Carolina; South Carolina Gas & Electric Co., 49 customers in South Carolina.

Essential operations exempted

Exemptions from the curtailment order are provided for operations found by the Director of Priorities to be essential to national defense or to essential civilian services. Any consumer who thinks he comes within that category may apply to the Director of Priorities for exemp-

tion, addressing his application to OPM, Federal Reserve Bank Building, Atlanta, Ga.

Seven groups of consumers are listed in the order as exempt from the mandatory curtailment provisions. They include:

1. The following Federal, State, county, and municipal services: fire, police, and essential State and highway lighting.

2. The following essential community services: churches, hospitals, newspapers, refrigeration, and food preservation plants.

3. Transportation services, street cars, railways, waterways, airports, oil and gas lines and pumping stations, and shops used exclusively for transportation services.

4. Communications services, including postoffices, radio, telephone and telegraph, and traffic control.

5. Water works, pumping stations, and sewage disposal plants.

6. Military establishments.

7. Plants exclusively engaged in the production of any of the following munitions or materials: airplanes and airplane engines; naval ships; merchant ships; ordnance items including guns, ammunitions, explosives, and combat vehicles; aluminum; magnesium; copper or brass; zinc; manganese; mercury; ferro-alloys; abrasives; graphite electrodes; forgings; machine tools; artificial gas.

Prohibited under the order are sign lighting, show-window lighting, outline and ornamental lighting, outdoor lighting including floodlighting or field lighting for amusements or sports, and interior or exterior lighting for decorative or advertising purposes. These do not include ordinary street or traffic lighting, signal or other lighting required by police, fire, or other public safety departments, and lighting for defense property protection required by defense regulations.

40 companies ordered into pool

Forty companies in 13 States are ordered to pool their power, so that power not needed in one locality may be used in another. Power companies in Virginia, West Virginia, Arkansas, Louisiana, Kentucky, and Ohio which already have connections with systems in the Southeast will pool their power with companies in Tennessee, Alabama, Georgia, Mississippi, Florida, South Carolina, and North Carolina.

The companies in the power pool are:

Alabama Power Co., Georgia Power Co., Gulf Power Co., Mississippi Power Co., South

Carolina Power Co., Tennessee Valley Authority, Alabama Water Service Co., Birmingham Electric Co., Aluminum Co. of America (Tennessee system), Carolina Aluminum Co. (Western Division), Crisp County Power Commission, Riviera Utilities, Carolina Aluminum Co. (Eastern Division), Carolina Power and Light Co., Duke Power Co., Lexington Water Power Co., Lockhart Power Co., J. B. McCrary Co., Nantahala Power and Light Co., South Carolina Electric and Gas Co., Savannah Electric and Power Co. (when interconnected), Tide Water Power Co., Arkansas Power and Light Co., Mississippi Power and Light Co., Kentucky Utilities Co., Kentucky-Tennessee Light and Power Co., Appalachian Electric Power Co., East Tennessee Light and Power Co., Virginia Electric and Power Co., Ohio Power Co., Virginia Public Service Co., Florida Public Service Co., Florida Power Corporation, Florida Power and Light Co., Tampa Electric Co., Louisiana Power and Light Co., New Orleans Public Service Co., Kentucky and West Virginia Power Co., Old Dominion Power Co., and Louisville Gas and Electric Co.

A field office to administer the program will be set up by OPM in Atlanta. Representatives of the State public service commissions and of the utilities affected will cooperate with OPM in administering and enforcing the curtailment program.

Shortage 72,000,000 kw.-h. a week

J. A. Krug, head of the OPM power section, presented figures showing the need for the curtailment program. For the territory served by TVA and the Commonwealth & Southern properties, total power requirements are estimated to be an average of 250 million kilowatt-hours per week, an increase of about 25 percent over the same period last year. Average in areas for the country as a whole during the same period is 17 percent.

Total energy resources, excluding water in storage reservoirs but including power received from adjoining systems, are estimated at 178 million kilowatt-hours per week.

Thus the estimated net deficit or shortage of power for the area is 72 million kilowatt-hours per week.

Reserves for 4 weeks

This deficit is being obtained from storage reservoirs which are already low, due to the prolonged drouth. The water estimated to be in storage at the end of this week in all the reservoirs in the area represents only 293 million kilowatts, or only a 4 weeks' supply. Power officials explain that to permit exhaustion of this reserve supply would result not only in the loss of deficit power but also in the loss of plant capacity. They point out that even with a little water in storage reservoirs it is possible to operate the generators at peak periods, when the demand is heaviest. But with the water all drained out of the reservoirs, the generators cannot be operated even during

Nonmechanical ice box makers ordered to cut steel use 35 percent, save 5,000 tons

A 35 percent reduction in steel consumption by the domestic nonmechanical ice refrigerator industry for the period from September 1, 1941, through December 31, 1941, was ordered October 28 by Priorities Director Nelson.

The amount of the reduction will be based on the monthly average of steel used during the 12 months ended June 30, 1941.

Under tentative plans by the Division of Civilian Supply, the reduction, at approximately the same level, will be continued through August 31, 1942.

Annual saving of 5,000 tons

The industry, which manufactures the nonmechanical ice box, consumed approximately 14,400 tons of steel in the 12 months ended June 30, 1941. The required reduction in consumption will result in savings of between 5,000 and 5,100 tons a year. In addition to steel, the industry consumes brass, cork, nickel, rubber, and zinc.

The program, issued in the form of a limitation order drafted by the Division of Civilian Supply, affects 11 plants in 10 communities, employing 3,200 workers.

The decision to curtail the industry's operations on a steel tonnage basis, rather than by placing a ceiling on the number of units it can produce, was reached after discussions with industry representatives. It was the consensus of a panel meeting of the industry that a cut on tonnage of steel used was much to be preferred to a restriction on the number of units produced.

Unlike the mechanical refrigerator in-

dustry, the manufacturers of domestic ice refrigerators still possess, in many cases, the wood-working facilities necessary for making at least a part of the boxes of wood.

The restriction on steel tonnage applies to use of steel from the manufacturer's own inventories of raw and semi-processed metal, as well as the use of steel from all other sources.

Further curtailment necessary

The manufacturers were told in an accompanying letter from the Division of Civilian Supply that it is going to be necessary to curtail still further the use of scarce materials in the production of ice boxes. They were asked, meanwhile, to carry out to the fullest extent possible the following two-point program:

1. Make every effort to limit critical materials normally used through the adoption of conservation measures, such as substitution of less critical materials, redesign and respecification.
2. Reduce the number of models made and concentrate on the production of models which make the most economical use of steel and other critical materials.

The Labor Division of the Office of Production Management will undertake a survey of any labor displacement resulting from this curtailment, and will, if necessary, institute a program designed to relieve the situation.

The program represents another step in the effort to distribute materials and products available for civilian consumption on an equitable basis, so that businesses large and small can be given some assurance of what the future holds for them.

the short periods when the load is heaviest and therefore the plants remain completely idle.

Mr. Krug said that an important factor in the present power situation in the Southeast is the necessity of continuing capacity production at aluminum works which do not have a prime power supply and which, in normal times, would be closed down during periods of low stream flow.

In these States, he added, are important defense plants which have expanded production greatly during the past year. The most important of these are the Aluminum Co. of America at Alcoa, Tenn., and Badin, N. C. The Alcoa plants alone are consuming 43 million kilowatt-hours weekly. Of this, only 8½ to 9 million

kilowatt-hours is "primary power"—that is, dependable power for continuous use. The balance is normally "secondary power" which is intended to be available only when it can be produced with surplus water. Under present conditions, however, it has been necessary in the interest of national defense to carry the whole load with primary or uninterrupted power.

Other defense plants in the area, most of which are also largely dependent on secondary power under normal operations, include the Reynolds Metals Co., (aluminum), American Zinc Co., Tennessee Copper Co., Electro-Metallurgical Co., Monsanto Chemical Co., Victor Chemical Works, Southern Ferro Alloys Co., and several shipyards.

Steel industry, at record speed, given A-3 for repairs, A-1-a in breakdowns

With steel mills reaching an all-time high in weekly production, turning out 1,621,000 tons during the week of October 6, the Priorities Division has issued a repair and maintenance order for the iron and steel industry, which will make it possible to keep in operation the equipment, including the older and less efficient units pressed into service for the emergency, which is necessary to maintain the high production levels of the past months.

The order provides a basic preference rating of A-3 for essential repair, maintenance and operating material. For material necessary to repair actual break-downs, an emergency rating of A-1-a will be assigned. Advance purchases of material to avert break-downs and suspensions will be facilitated by the assignment of an A-1-c rating. The high break-down ratings, however, may be applied only with the express permission, secured in advance, of the Director of Priorities.

Coke plants included

Plants to which this assistance is extended include those engaged in the production of pig iron, primary forms of steel, blast furnace coke, and ferroalloys. Producers must file with the Iron and Steel Branch, Office of Production Management, an acceptance of the order, and a statement of past inventories and consumption, on Form PD-148, before applying the basic preference rating assigned by the order. Once authority to do so has been granted, and a serial number assigned, no further application need be made for use of the A-3 rating. A producer, or a supplier, must endorse on his purchase orders a statement to the effect that the rating is being applied under the terms of Preference Rating Order P-68, and must file periodic reports with OPM.

Ratings may be applied by a producer to repair, maintenance, and operating items, and by a supplier of material directly required by a producer for these purposes, or to material which is to be physically incorporated in other material to be used by his customer in the same way.

Producers defined

Producers, as defined in schedule A, attached to the order, are those who turn out:

1. Pig iron and ferroalloys.

2. The following iron and steel products, including alloys: Ingots, blooms (including forged), billets (including forged), slabs (including forged), tube rounds, sheet and tin bars, structural shapes, piling, plates (universal and shared), rails, tie plates, track spikes, splice bars, rail joints, hot rolled bars (including hoops and bands and concrete reinforcing bars), cold finished bars, pipe and tubes (except conduit), wire rods, wire as drawn (not including further fabrication therefrom), black plate, tin and terne plate, sheets, strip, tool steel bars (including high speed), steel wheels and axles (for railroad use only), railroad locomotive tires, armor plate, ordnance forgings, steel castings (rough as cast), skelp, rolling mill rolls, ingot molds.

3. Coke for use in the production of pig iron and ferroalloys.

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Repair parts rated A-10 for registered, certificated planes

Deliveries of necessary repair parts and accessories for all registered and certificated civilian-operated airplanes, were granted on October 27 an A-10 preference rating by the Division of Priorities, in an amendment to Supplementary P-6-a.

The original supplementary order was issued on July 21, 1941, and assigned the A-10 rating to deliveries of airplanes, as well as repair parts and accessories, to certain specified types of aviation activity, including civilian pilot training program schools, airline instrument training schools, other schools approved by the Civil Aeronautics Administration, home guard units, pipe line patrol, State and city police, power line patrol, patrol activities by any governmental agency, and experimental projects approved by the Civil Aeronautics Administration.

Deliveries to dealers for sale to any of these also carry the A-10 rating. The amendment extends this assistance to dealers supplying any operator of registered and certificated aircraft.

In announcing the amendment, the Priorities Division pointed out that on August 1, 1941, there were outstanding 84,152 Pilot Certificates of Competency, and that the pilots to whom these have been issued can only maintain their flying ability through a continuity of flying experience.

New selective preference order applied to hoisting equipment on defense orders

Manufacturers of cranes and hoisting equipment working on vital defense orders will receive the assistance of a new Preference Rating Order, P-5-b, commencing November 1, 1941, it was announced October 29 by the Priorities Division.

Replaces old order

The new order replaces P-5-a, which granted a preference rating of A-1-a to deliveries of specified materials and, while similar to it, differs in a number of important respects. For one thing, P-5-b does not grant the same rating to all manufacturers. Ratings are to be assigned in accordance with defense needs for the particular types of crane or hoisting equipment manufactured by any one of the producers.

In applying the rating, a producer and his supplier must do so only in the acquisition of the materials and equipment needed to fill a defense contract, which appears on Exhibit A, with the further restriction, in the case of suppliers, that the rating may only be used to expedite orders for material which is to be physically incorporated into the finished product, or into other materials listed.

The following appear in Exhibit A:

Motors and other electrical accessories, alloy and carbon steels in bars, forgings, castings, plates, sheets, shapes, and tubes; ferrous and nonferrous castings; machine parts and accessories; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; brass, copper, and steel tubing and fittings; oil resisting hose; hydraulic bridge brakes; gasoline and Diesel engines and accessories; paints, lacquers, and finishing materials; maintenance and shop supplies—this item applies to a *producer's* requirements only and is restricted to materials necessary for proper operation and maintenance of a *producer's* manufacturing equipment and facilities.

Foundry supplies consisting of: Steel rail and other steel scrap, silvery pig iron, regular pig iron, coke, ferrosilicon, ferromanganese, vanadium, nickel, molybdenum, and chromium.

If any of these components may be secured without priority assistance or can be eliminated by substitution of other, more available material, a producer who has been granted the use of the order must not apply his rating to such items.

MEDIATION BOARD . . .

Full Board considers union shop dispute between captive coal operators and UMW

The full membership of the National Defense Mediation Board last week (October 27-November 2) opened consideration of the captive mine dispute after 53,000 miners, at the President's request, had returned to work. Also last week, the President ordered the Army to take possession of the Air Associates plant in Bendix, N. J.

Captive coal mines

Thirty-one members—the largest number ever to attend a Board meeting—were present when consideration of the union shop dispute between the captive coal operators, mostly steel companies, and the United Mine Workers of America, CIO, opened Friday morning, October 31. Consideration of the dispute by the full Board was in response to a request of the President, made in the form of a letter to William H. Davis, Board chairman, following an hour and a half meeting with the President, attended by Myron C. Taylor, of the U. S. Steel Corporation, John L. Lewis, UMW president and Mr. Davis.

The President asked the United Mine Workers if they would immediately reopen the mines pending consideration by the full Board, with the understanding that neither party is committed in advance to acceptance of the final recommendations.

The United Mine Workers agreed to return to work immediately.

After an all-day meeting, the Board adjourned until Monday, November 3, at 10 o'clock. The principals involved in the dispute were asked to attend that meeting. The 11 original members of the Board, with the exception of George M. Harrison, were to vote on the issue. Mr. Harrison has been replaced by one of the alternate labor members, William A. Calvin, vice president of the International Brotherhood of Boilermakers and Iron Shipbuilders, AFL. The voting members are William H. Davis, Dr. Frank P. Graham, Charles E. Wyzanski, Jr., representing the public; Walter Teagle, Cyrus Ching, Roger Lapham, Eugene Meyer, representing employers; and George Meany, William A. Calvin, Philip Murray, Thomas Kennedy, representing labor. An alternate for each voting member will be present at all the discussions. Every Board member was supplied with a complete transcript of the proceedings of the captive coal mine case before the Board and the adjournment was taken to give all an opportunity to read the 186-page document.

Friday morning, October 31, Chairman Davis received a letter from Mr. Lewis setting November 15 as the deadline for the final recommendations to be made, after which time the miners would again go on strike if no decision had been reached. The text of Mr. Davis' reply is as follows:

"I have your letter of October 30, 1941, in which you say that the representatives of the United Mine Workers of America voted unanimously to accept the arrangement set forth in the letter of the President to you, dated October 29, 1941, for a period terminating Saturday, November 15, 1941."

"The assurance given by the President to the United States Steel Corporation and the United Mine Workers of America in his letter

of October 29, is 'that the full Board is meeting on Friday, and will be prepared to consider the matter continuously until it makes its final recommendations.'

"I have at this time no reason to doubt that the Board can easily complete its consideration of the dispute and make its final recommendations sometime next week, but however that may be, the Board will proceed to consider the merits of the dispute carefully, calmly and not under pressure."

Later that day, a second letter came from Mr. Lewis stating that Mr. Davis' point was "not well taken" and saying that Mr. Davis had assured the President the matter would be decided by the end of this week. He added "the temporary agreement extends a week beyond your own time requirement."

Air Associates, Inc.

On Friday, October 31, the Government took over the plant of Air Associates, Inc., at Bendix, N. J., thus ending a dispute of 4 months between the company and the United Automobile Workers of America, CIO. This is the third time that the Government has taken such action.

The controversy had apparently been settled by announcement from Under Secretary of War Patterson and OPM Director General Knudsen that the company had agreed to accept the Mediation Board's recommendations. However, the attitude of the company toward the returning strikers was not in the spirit of the recommendations and another strike was threatened. Richard Frankenstein, national director of the UAW's aircraft division, stated that all members of the UAW in five Eastern States would be called out on strike also unless the Board's recommendations were followed.

The recommendations of the Board called for the "immediate" reinstatement of all strikers to their former jobs with their former pay. The union charged that this was not being carried out by the company, and on October 29, Colonel Roy M. Jones of the War Department was assigned to see that the reinstatement agreement was fulfilled. Demonstrations by nonstrikers against members of the CIO union when the latter started to return to their jobs were ended late Thursday night, October 30, when the President ordered seizure of the plant. Troops arrived early in the morning of October 31 and Colonel Jones immediately started calling in workers and by the afternoon announced that the plant was operating with half its force and hoped to have full production by the next day.

The plant has about 600 workers, and has \$5,000,000 worth of contracts for aircraft parts.

Spicer Manufacturing Corporation

After 3 days of hearings in the dispute between the Spicer Manufacturing Co., Toledo, Ohio, and Hillsdale, Mich., and the United Automobile Workers, CIO and the United Automobile, AFL, all parties returned home to await Board recommendations. A panel composed of Charles Wyzanski, Roger Lapham, and John Connelly, John Brophy, and George Googe, had heard the case which involved a dispute between the two unions.

The CIO union at the Toledo plant, which employs 2,500 workers, went on strike September 9 because of the alleged discharge of CIO men at the Hillsdale plant of the com-

pany. The strike was called off September 15 and the men returned to work at the Board's request. The hearing was set for October 27, but the threat of another strike caused the Board to appoint A. C. Lappin of Detroit as its special representative to maintain the "status quo" pending the hearing in Washington. The strike was averted. The company makes transmission parts for Army tanks, scout cars and reconnaissance cars and almost 80 percent of its work is for defense.

Ingalls Shipbuilding Corporation

Hearings in the dispute between the Ingalls Shipbuilding Corporation of Pascagoula, Miss., and the Pascagoula Metal Trades Council, AFL, over union security ended after 3 days and both parties went home to await Board recommendations.

A strike on October 13 had been called off at the Board's request and the men returned to their jobs October 16. The company has contracts with both the Navy and the Maritime Commission for building ships. The union maintains that under the Gulf Stabilization Agreement they have the right to ask for a closed shop while the company says that the contract already in existence between itself and the union does not expire until February 1942, and that therefore it cannot be opened up until that time. The panel in the case—Walter T. Fisher, Eugene Meyer, and George Googe—was unable to bring the parties together for a settlement and will therefore issue recommendations.

Sloss-Sheffield Steel & Iron Co. and Alabama By-Products Co.

The Sloss-Sheffield Steel and Iron Co. and the Alabama By-Products Co., both of Birmingham, Ala., and the United Mine Workers, District 50, CIO, came in before the Board for hearings on October 28. Although the companies involved are completely separate and distinct, since it was the same union in both cases and the same issues the Board appointed one panel to hear them together. The issues are union security and wage increases and the union is urging one contract to cover both companies instead of two separate contracts, as is now the case.

The panel—Dr. Frank P. Graham, Rolland J. Hamilton and Hugh Lyons—is still conducting hearings on the cases. A strike of 900 workers on October 20 at the Sloss-Sheffield plant was called off at the Board's request, the men returning to work October 22. A threatened strike at the Alabama By-Products Co. had been postponed at the Board's request. The two companies supply gas to the Birmingham area, including various defense industries there, and they also manufacture coke and other by-products.

International Harvester Co.

Hearings in the dispute between the International Harvester Co. of Springfield, Ohio, and the United Automobile Workers, CIO, were resumed last week. The controversy had arisen over the lay-off of 480 men because of curtailment of production. The union also wants a complete contract to be negotiated.

New cases

The four new cases certified to the Board last week are as follows: Union Electric Company of St. Louis, Mo., and the Tri-State Utility Workers Union (Independent); York Corrugating Co., York Pa., and the International Association of Machinists, Local 1462, AFL; Wolverine Tube Co., Detroit, Mich., and the United Automobile Workers, Local 174, CIO; Chris Craft Corporation, Algonac, Mich., and the Federal Labor Union, Local 20783, AFL.

PRICE ADMINISTRATION . . .

Stabilization of all copper product prices undertaken in sweeping OPA program

A comprehensive program for stabilizing prices of all products made of copper, brass, or other copper-base alloys was announced October 26 by Leon Henderson, OPA administrator.

Action is being taken as result, first, of the generally tight situation in copper due to heavy defense demands, and, second, of the conservation order issued October 21 by the Office of Production Management which restricts sharply the supply of many products made of copper.

The program will bring under scrutiny many thousands of manufactured products at both the manufacturing and distribution levels with a view to imposition of price ceilings if necessary. The program will be carried out by commodity sections already established, including those handling nonferrous metals, durable consumer goods, building materials, industrial machinery, and chemicals.

Ceiling forecast for building hardware

Immediate steps in the new program include:

(1) A price schedule establishing present prices as a maximum for building hardware will be issued shortly, preparatory to detailed studies looking to a reduction of such prices substantially below the present level. This will be followed by schedules establishing ceilings for other building products made of copper as they may be necessary.

(2) A meeting will be held within a few days with manufacturers of wire and cable to discuss proposals now being prepared by OPA for reduction of present prices on these products. In the past year such prices have risen 20 to 30 percent.

(3) Field investigations under way for some time on the prices of nonferrous foundry products will be rushed to completion with a view to issuing a price schedule establishing maximum prices for such products unless the industry voluntarily agrees to reduce prices. One conference has already been held with a branch of the industry. Products in this category include valves, fittings, and other copper or copper alloy castings.

Sheets, ingots covered informally

(4) The present informal agreements in effect with operators of mills produc-

ing brass sheet, rods, and tubes and producers of brass ingots will be continued in their present form unless formal ceiling action becomes necessary. Prices for products fabricated from brass will be brought under ceilings as rapidly as necessary.

(5) Attention of the office will also be directed at prices of all durable goods and their parts made largely of copper. These include such items as radios, stoves, cooking and table utensils, plated flatware, fire extinguishers, generators, motors, signal apparatus, transformers, certain automobile and truck parts. Ceilings will be placed on such products if necessary.

Curtailment doesn't justify raise

In announcing the program Mr. Henderson pointed out that curtailment of raw material supplies is not alone sufficient justification for raising the price of any manufactured article. Plans of the OPA in regard to products made largely of copper are based on this premise and it will be followed rigidly, he said.

The administrator added that manufacturers and distributors should beware of building up inventories in anticipation of future orders since they may well find themselves trapped with materials and products bought at high prices when the ceilings are issued. In that event they might have to take a loss in order to avoid selling in violation of the ceiling prices, since it is becoming increasingly necessary to restrict the granting of exceptions. Forward buying would also have the effect, he said, of helping to create an artificial scarcity, thus putting further pressure on the price structure.

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Landry heads staff branch of Production Division

William H. Harrison, director of the Production Division of the OPM, on October 27 appointed George A. Landry, manager of the central office division of the Western Electric Company's Hawthorne Works at Chicago, as head of the staff branch of the Production Division.

Rising demand for second-hand rail hastens new ceilings

A separate schedule of maximum prices for second-hand railroad rail that is sold for further transportation use, known to the trade as "relaying" rail, will be issued in the near future by the Office of Price Administration, Administrator Henderson announced October 30.

The ceiling prices, he said, will be generally lower than those currently prevailing.

The new schedule was discussed with dealers in such rail at a meeting October 29 with OPA at which additional technical information was obtained.

Demand for second-hand rail has risen sharply since supplies of new rail have become restricted as a result of the defense program. Demand has been particularly heavy from industrial and mining areas and from ordnance centers.

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John L. Haynes heads new construction branch to carry out SPAB priority policy

The Office of Production Management has requested the Division of Civilian Supply to carry out the policy announced by the Supply Priorities and Allocations Board on October 9, under which priorities assistance will not be given to public or private construction projects which use critical materials unless those projects are necessary to defense or essential to the public health or safety.

Leon Henderson, Director of the Division of Civilian Supply, announced that as a step in fulfilling OPM's request, the lumber and building materials branch of the Division is being converted into a branch to be known as the construction branch. The new branch will be headed by John L. Haynes, present chief of the lumber and building materials branch.

Other necessary arrangements to be made in carrying out the policy will be announced as soon as they are completed.

SPAB's policy was described in detail in the October 9 announcement.

Ceilings on glycerine, basic industrial chemical, sharply reduced by new order

Glycerine, an industrial chemical vital to production of high explosives and to manufacture of innumerable other defense and civilian articles, is brought under ceiling prices sharply below current levels in a new price schedule issued October 28 by OPA Administrator Henderson.

The schedule, which becomes effective November 10, 1941, establishes base maximum prices of 11½¢ a pound for crude glycerine (80 percent glycerol) and 18¢ a pound for the refined type. These compare with prices of 18¢ for crude and 21½¢ for refined now quoted by refiners for fourth-quarter delivery.

Ceilings over 7 basic chemicals

By its latest step, OPA has extended price ceilings over seven basic chemicals: formaldehyde, ethyl alcohol, acetic acid, wood alcohol, acetone, butanol, and, now, glycerine.

"The movement of glycerine prices illustrates what has happened and is happening to a great many chemicals for which the defense program has created abnormal demand," Mr. Henderson stated.

"From 1938 until the beginning of this year crude glycerine prices remained approximately unchanged at 7¾¢ a pound. Soon thereafter the price jumped to 9¢ a pound and before the summer was over had risen another 4¢. This new price, which was not reasonable in itself, was raised by another 5¢ a pound to 18¢ on September 15.

"Thus, we have one of industry's basic chemicals, which enjoyed almost complete price stability for 3 years, rising by nearly 150 percent in about 9 months. As to refined glycerine, prices which ranged from 12½¢ to 14½¢ over a 28-month period to last April have since soared to 21½¢ a pound and are threatening to go even higher.

Many factors considered

"The maximum prices set in the new OPA schedule were arrived at after lengthy study and extensive consultation with representatives of the industry. Taken into consideration were the essential nature of glycerine, particularly for defense use, and the absolute necessity of keeping production at the highest levels possible. Likewise, it was rec-

ognized that costs of the smaller producers have undergone an increase. Under existing circumstances, the ceiling prices set by OPA are considered reasonable to both buyers and sellers of glycerine."

Production of glycerine for the current year is estimated at around 200,000,000 pounds. About 50 percent of this will be used in the production of dynamite and other explosives, synthetic resins, transparent cellulose wrapping material and in processing tobacco. Many additional millions of pounds will be used in the manufacture of drugs, cosmetics, and printers' inks. The textile, chemical, and paper industries will use about 5,000,000 pounds each, it is estimated, while more than 15,000,000 pounds will be consumed by the food industry.

Byproduct of soap industry

About 93 percent of all glycerine produced in the United States is obtained as a byproduct of the soap industry and about 80 percent of the total output is made by three large soap companies. The large packing companies, a few of which make soap, are responsible for about 15 percent, while the remaining output comes from a number of smaller producers.

The principal producers of crude glycerine are also refiners, while several large chemical companies buy crude glycerine and refine it for use or for sale.

Five grades of refined glycerine

The OPA price schedule, which covers sales in containers of 500 pounds or more, divides refined glycerine into five grades as follows: chemically pure glycerine (98 percent glycerol), chemically pure glycerine (USP 95 percent glycerol), dynamite, high gravity, and yellow distilled. Maximum prices, delivered in tank cars are 18½¢ a pound for the 98 percent grade and 18¢ a pound for the four other grades. Premiums ranging from ¼¢ to ¾¢ per pound are allowed for shipments in drums in carload and less-than-carload lots.

These refined glycerine maximums apply to deliveries in all parts of the United States, excepting an area embracing certain parts of Oregon and Washington; Nevada, Arizona, New Mexico, part of Colorado, Utah, Wyoming (excluding Laramie County), Idaho, and Montana. This area is designated in the schedule as Zone "B" and for deliveries of refined

glycerine therein a premium of 2¢ a pound above the ceiling prices may be charged.

By allowing higher prices for Zone "B," OPA gives recognition to a long-standing trade practice. The amount of glycerine sold in this area is only a minor portion of total sales.

Four grades of crude

Crude glycerine is separated into four grades: soap lye (basis 80 percent glycerol), saponification (basis 88 percent glycerol) for individual uses, saponification (basis 88 percent glycerol) to refiners, and crude glycerine of other glycerol percentages. The soap lye grade, according to the schedule, shall not sell for more than 11½¢ a pound delivered, whether in tank cars or in drums. The saponification grade for individual uses has a base price in tank cars of 12¾¢ a pound f. o. b. point of manufacture with a premium of 1¢ a pound for drums in carload lots and 2¢ a pound for drums in less than carload lots. The saponification grade to refiners is given a maximum price of 12¾¢ a pound delivered, whether in tank cars or drums. Prices of "crude glycerine of other glycerol percentages" shall be determined at the rate of 11½¢ per pound delivered for glycerine of 80 percent glycerol content, the schedule provides.

Complete records required

The schedule requires buyers and sellers of glycerine in containers of 500 pounds or more to maintain complete records of all purchases and sales and producers are required to report each four months on the state of their inventories. Monthly affirmations of compliance also are required.

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Four more scrap dealers to refund excess over ceilings

Three prominent Chicago sellers of iron and steel scrap and one of the leading broker-dealers in Cleveland have signed stipulations providing for refund to buyers of all amounts collected since September 2 in excess of the ceiling prices set by the Office of Price Administration in Price Schedule No. 4, Administrator Henderson announced October 29.

This increases to six the number of cases in which complete restitution of sums charged above the established maximums has been arranged through direct action by OPA. Proceedings against certain other dealers and brokers are under way, Mr. Henderson said.

Adoption of prices near October 5 level averts rayon yarn ceiling for present

Because Celanese Corporation of America has announced new acetate yarn prices in substantial conformity with those generally in effect on October 5, the Office of Price Administration has decided that issuance of a schedule imposing maximum prices on all forms of rayon yarns and staple fibers is not presently necessary, OPA Administrator Henderson stated October 28.

Prompt action if prices rise

However, Mr. Henderson made it clear that his office would act immediately should producers' prices rise further or should resales of yarns at inflated levels continue to disturb the market.

"Present prices, which reflect the moderate advances made in mid-September with the full knowledge of my office, are considered high enough," the Administrator said. "Higher prices would seriously disturb the price structure of all rayon fabrics, including rayon grey goods, already under a ceiling."

Price lists made public

Mr. Henderson made public lists of prices which his office considers the maximums that should be charged by producers for the time being for acetate, cuprammonium, and viscose process yarns and staple fibers. These prices, which are those that generally prevailed on October 5, 1941, follow:

VISCOSE PROCESS CONTINUOUS FILAMENT YARNS

Denier	Skeins	Weaving and knitting cones
40 -----		\$1.20
50 -----	\$1.05	1.10
65 -----	.95	.98
75 -----	.85	.88
100 (Less than 60 filaments) -	.73	.75
100 (60 filaments or more) ---	.75	.77
125 -----	.66	.68
150 (Less than 60 filaments) -	.55	.55
150 (80 filaments or more) --	.57	.57
200 -----	.52	.52
250 -----	.51	.51
300 and coarser -----	.49	.49

RAYON STAPLE FIBERS

	Price per pound
<i>Viscose process</i>	
All deniers, all lengths:	
Bright -----	\$0.25
Dull -----	.26
<i>Acetate process</i>	
8 denier or finer, all lengths, bright and dull:	
Untinted -----	.43
Tinted -----	.45
Coarser than 8 denier, all lengths, bright and dull:	
Untinted -----	.45
Tinted -----	.47

ACETATE PROCESS CONTINUOUS FILAMENT YARNS

Cones and spools

Denier	Low twist	Regular twist	Skeins
45 -----	\$1.02	\$1.07	\$1.18
55 -----	.93	.98	1.07
65 -----	.86	.90	.97
75 -----	.76	.80	.88
100 -----	.70	.73	.80
120 -----	.65	.65	.71
150 and coarser ----	.56	.56	.61

CUPRAMMONIUM PROCESS CONTINUOUS FILAMENT YARNS

Denier	Skeins	Converted skeins and cones
40 -----	\$1.40	\$1.55
50 -----	1.10	1.25
55 -----	-----	1.07
65 -----	.95	1.05
75 -----	.90	.98
100 -----	.73	.79

The administrator emphasized that resales of first quality yarns should be not in excess of 4¢ a pound above the maximum prices for producers. Inferior yarns should not sell above the producers' list prices, he added.

Ceilings on bed sheets expected to lower prices 15 percent

Ceiling prices that will be roughly 15 percent under present market levels will be imposed on finished bed sheets in the near future, according to an announcement October 30 by OPA Administrator Leon Henderson.

Manufacturers and distributors of sheets will be invited to a meeting with OPA within the next few days to discuss technical questions involved in formulation of a price schedule.

"Prices of bed sheets have risen by from 60 percent to 70 percent within the past 12 months and at present levels are costing retail purchasers too much," Mr. Henderson said. "We intend to establish a schedule of manufacturers' maximum prices that will return quotations to approximately those that prevailed in the last week of July, or about 15 percent under the current market."

The OPA schedule, it was stated, will bring sheets into proper relationship with grey goods now under ceiling prices and will allow downward and upward adjustments based upon fluctuations in the price of raw cotton.

Owners made to list raw silk to aid acquisition for parachutes, stock pile

The Office of Production Management acted October 24 to facilitate the acquisition of raw silk by holders of contracts for parachutes and for a Government stock pile.

Must inform textile section

An order by Priorities Director Nelson required those who own title to all of the remaining raw silk in unbroken bales to inform the textile section of the Division of Purchases, OPM, of the amount, description, and location of the silk they own.

The order became effective October 28 and required such statements to be submitted to OPM by the close of business on October 30.

With this information, holders of contracts for parachutes will be able to acquire the silk they need, and the Defense Supplies Corporation will make purchases for additions to a Government stock pile.

This action is a follow-up on previous OPM orders. On August 2 the Director

of Priorities ordered complete stoppage of all deliveries or processing of raw silk. Transfers of title were not prohibited in order to permit an orderly closing out of transactions. On October 16 the Director of Priorities issued another order prohibiting further transfer of title, at the same time giving a general preference rating to manufacturers of parachutes for Army, Navy, and Weather Bureau use, and to the Defense Supplies Corporation for stock pile.

Title will now be revealed

This October 16 order was intended to make the silk available to holders of parachute contracts, but it was soon found that the manufacturers were unable to locate those who had title to the silk.

As a result of the October 24 order, title to the silk will become known and the silk will thus become available to the parachute manufacturers and for stock pile.

Scrap and secondary aluminum ceilings cut 1 to 3 cents

Formal amendment of Price Schedule No. 2, aluminum scrap and secondary ingot, incorporating previously announced reductions ranging from 1 to 3 cents a pound in ceiling prices and establishing specific premiums for scrap shipments in quantity, was issued November 1 by OPA Administrator Henderson.

The lowered ceiling prices follow a voluntary reduction of 2 cents a pound in the price of virgin aluminum, which became effective October 1. Variations in the amount of the reductions in scrap and ingot prices reflect the experience accumulated by OPA during several months of the schedule's operation as well as changes in market conditions since the schedule was originally announced on March 24, 1941.

By introducing quantity differentials on scrap, the amendment eliminates the distinction between "maker" and "dealer" maximum selling prices in the original schedule. The new set of scrap prices is applicable to sales by anyone, whether maker or dealer, but the premiums for quantity shipments are designed to enable dealers to obtain a fair margin over their costs.

On deliveries of 1,000 to 20,000 pounds by truck, or on deliveries of amount between 1,000 pounds and the minimum carload lot, if shipped by rail, a premium of 1 cent a pound is allowed on all grades except old pistons and cast and forged scrap. For these latter types a premium of ½ cent a pound is provided.

For all types of scrap an additional ½ cent premium will be permitted on deliveries of over 20,000 pounds if shipped by truck within a 3-day period, or on deliveries in minimum carload lots if shipped by rail. These premiums may be applied to a shipment made up of various grades of aluminum scrap. They are not applicable to shipments of aluminum mixed with other metals, except insofar as the segregated portion of the shipment qualifies by weight for the additional charge.

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Blanchard textile consultant for Conservation Bureau

Appointment of F. S. Blanchard as textile consultant in the Bureau of Industrial Conservation was announced October 30 by Lessing J. Rosenwald, chief of the bureau.

Leading brass mills absorb price rise in primary zinc, prevent inflationary trend

In the face of a 1-cent per pound increase in the price of primary zinc, important raw material in the production of brass, the leading manufacturers of brass sheet, rod, and tube have not raised their prices and have agreed not to do so without first consulting with the Office of Price Administration, Administrator Henderson announced October 30.

Act to prevent inflation

"Brass mills always have operated on a 'conversion basis,' that is, any changes in the cost of their raw materials, mainly copper and zinc, have been reflected customarily in a proportionate increase or decrease in the prices of their finished products," Mr. Henderson said. "In acceding to the OPA's request not to pass on the increased cost of zinc at this time, brass mills have cooperated with our efforts to prevent any inflationary trend from developing in the prices of brass sheets, rods, and tubes. These materials are in great demand to make cartridge and shell casings and many other products for the defense program and civilian industry. The larger problem of keeping finished product prices in line should now be considerably simplified."

Unchanged prices for brass sheet, rod,

and tube removes any grounds for an increase in the prices of brass mill scrap, now under an OPA ceiling, the administrator stated. It is reported, Mr. Henderson said, that some fabricators have been hoarding their scrap in expectation of higher prices.

Unimpeded flow needed

"Since no higher prices can be expected for brass mill scrap and since toll agreements have been eliminated by the recent priorities order of the Office of Production Management," Mr. Henderson said, "there is now every reason for fabricators to return their scrap promptly to the brass mills. With the present shortage of copper and zinc, it is more important than ever that the flow of scrap continue without hindrance so that demands of brass mills for primary raw materials may be lessened."

A study of the cost factors in manufacture of brass mill products has been begun by OPA, the administrator stated. On the basis of information thus far accumulated, it appears that the mills will be well able to continue to absorb the recent increase in zinc prices without advancing the prices of brass sheet, rod, and tube, he added.

Canning committee named

The membership of a fish, fruit, and vegetable canning defense industry advisory committee was announced October 31 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM.

Committee members are:

G. Sherwin Haxton, Haxton Canning Co., Inc., Oakfield, N. Y.; H. F. Krimendahl, Crampton Canneries, Inc., Celina, Ohio; Fred A. Stare, Columbus Foods Corporation, Columbus, Wis.; Frank Gerber, Gerber Products Co., Fremont, Mich.; George T. Sanders, Litteral Canning Co., Fayetteville, Ark.; A. M. Lester, California Packing Corporation, San Francisco; Robert C. Paulus, Paulus Brothers Packing Co., Salem, Oreg.; George M. Pfarr, Tri-Valley Packing Association, San Francisco; Pratt D. Phillips, Phillips Brothers, Salisbury, Md.; Ralph Dulany, John H. Dulany & Son, Fruitland, Md.; C. M. Walters, Libby, McNeill & Libby, Chicago; John Kraemer, Mammoth Spring Canning Co., Sussex, Wls.; Ward Cosgrove, Minnesota Valley Canning Co., Le Sueur, Minn.; Karl Kuner Mayer, Kuner Empson Co., Brighton, Colo.; Harry Irving, Sea Pride Packing Corporation, San Francisco; Victor H. Elfendahl, Alaska Pacific Salmon Co., Seattle; F. Hall Wrightson, Charles T. Wrightson & Son, Inc., Easton, Md.; A. C. Ketzler, Bordo Products, Inc., Winter Haven, Fla.

British will release Australian skins for U. S.

Robert R. Guthrie, chief of the textile, clothing and equipage branch of the Purchasing Division of OPM, has arranged with the British Wool Control for the release of Australian shearlings for use in the manufacture of flying suits and Arctic clothing for the defense forces.

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Burner subcommittee

Appointment of an oil burner and stoker subcommittee of the plumbing and heating defense industry advisory committee was announced October 27 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM:

E. C. Sammons, vice president, Iron Fireman Co., Portland, Oreg.; J. R. Rainbault, manager, A. C. C. R. department, General Electric Co., Bloomfield, N. J.; J. H. Simpson, vice president, Hershey Machine & Foundry Co., Manheim, Pa.; Ross Sherman, president, Silent Glow Burner Corporation, Hartford, Conn.; and L. A. Welsh, president, Hart Oil Burner Co., Peoria, Ill.

HOUSING . . .

Rent laws needed in some defense areas, committee conferees decide

Legislation is required to cope successfully with rent profiteering in certain defense areas, it was agreed at a conference in Washington October 30 between chairmen of 12 local fair rent committees, army billeting officers, and officials of the rent section, Office of Price Administration. The local fair rent chairmen expressed the opinion that such legislation should be a part of broad price control legislation.

The meeting, which was called by Leon Henderson, OPA Administrator, brought together the leaders of Fair Rent groups from such widely separated communities as Mineral Wells, Tex., and Pontiac, Mich., to review their common experiences and to discuss plans for improving the effectiveness of their committees' activities.

Committees asked to use influence

The group recommended that OPA and Fair Rent Committees throughout the country use all possible influence with

local authorities to stay eviction proceedings evidently arising out of complaints against rent increases. Numerous cases in which landlords acted to dispossess tenants who complained, or threatened to complain, to Fair Rent Committees were cited. However, all of the chairmen reported admirable cooperation from a great majority of landlords and the widespread support of the press.

Much has been accomplished

The consensus was that much had been accomplished by committees toward obtaining adjustment of exorbitant rents and that the committees should be continued and strengthened. It is planned to arrange regional conferences of Fair Rent Committee leaders from the various defense centers to bring about a closer working relationship between the groups themselves and the Office of Price Administration.

Over 900 citizens are serving on 110 Fair Rent Committees formed by mayors or defense councils in 26 States.

15 new localities approved for 90-percent mortgage insurance

President Roosevelt today has approved 15 new locations in which homes may be financed under the liberalized insurance provisions of Title VI of the National Housing Act, upon the recommendation of Defense Housing Coordinator Palmer.

The act permits 90-percent mortgage insurance to operative builders in localities "in which the President finds that an acute shortage of housing exists or impends which would impede national defense activities."

Title VI financing complements previously existing FHA facilities in the home financing field.

Not to exceed housing needs

In his letter to the President, Mr. Palmer recommended that this financing method should not be utilized in excess of defense housing needs as determined by the Division of Defense Housing Coordination.

The following are the newly approved areas and the defense activities most important in each:

Stamford, Conn.—shipyards; bearings; airplane parts; optical instruments. Orlando, Fla.—municipal air field. Augusta, Ga.—Augusta Arsenal; Daniels Field. Belleville-East St. Louis-Granite City, Ill.—Scott Field; armor plate; steel castings; chemicals; aluminum. Pittsfield, Mass.—electrical equipment; plastics; ordnance. Hattiesburg, Miss.—Camp Shelby. Dunkirk, N. Y.—railroad equipment; steel; ordnance. Springfield, Ohio—airplane parts; ammunition component. Coatesville, Pa.—steel; alloy metals. Pottstown, Pa.—airplane parts and engines; ordnance components; aerial bombs. Kingsport, Tenn.—airplane and parts; chemical product. Abilene, Tex.—Camp Barkeley. Brownwood, Tex.—Camp Bowie. San Angelo, Tex.—Goodfellow Field; advanced flying school. Texarkana—including Texarkana, Ark.—shell loading plant.

2,654 defense homes started in week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced October 29 that 1,285 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending October 25, making a total of 48,572 now ready for occupancy.

With 2,654 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 101,785.

Federal funds have already been allotted for 123,345 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,976. Since January 1941, 182,842 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,688.

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President finds need for 720 more defense homes

President Roosevelt determined October 30 that a need exists for 720 homes for families of industrial defense workers in three localities. The need—which, it was believed, could not be met by private capital—was determined on recommendation of Defense Housing Coordinator Palmer.

In addition, the President approved provision of 200 temporary dormitory units at Elkton, Md.

Locations for the permanent homes and the number planned at each place are: Atlanta, Ga., 180; Bantam, Conn., 40; Elkton, Md., 500.

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Cost of fund transfer mustn't be added to sugar ceiling price

Costs of transferring funds in connection with purchases and sales of raw cane sugar cannot be added to the ceiling price established by OPA, Administrator Henderson stated on October 30, in response to inquiries from the trade.

Such costs are an element in the price and customarily have been borne by the seller. To permit a buyer to pay these costs in the case of a sale at the OPA ceiling would result in a price in excess of the allowable maximum.

News for Retailers

Retail Taxes

The Bureau of Internal Revenue recently issued a warning to merchants not to advertise that they are paying retail taxes on certain articles and not passing on the cost to their customers.

The taxes in question are the new retail excise taxes on sales of jewelry, furs, and toilet preparations. These taxes went into effect October 1 and are not to be confused with the manufacturers' excise tax which went into effect October 14.

The Internal Revenue Code, officials pointed out, prohibits such advertising and provides a fine of not more than \$1,000 for violation of the prohibition.

Reports received by the Bureau, officials said, indicate that a lack of knowledge apparently prevails concerning the penalty which is applicable to such advertising concerning the retail taxes on sales of jewelry, furs, and toilet preparations.

To create a demand for their products, some merchants are publishing advertisements containing statements to the effect that the retail taxes are not included in the sales price of the articles because the taxes will be paid by them and not passed on to the customer, the officials said.

To prevent the new retail sales taxes from being used as a means of deriving unfair competitive advantages, the law provides for the fine in connection with the sale of a taxable article and makes illegal any statement, whether oral or written, whether in advertisement or otherwise, intended or calculated to lead prospective purchasers to believe that the sale price of the article does not include the retail sales tax.

Accordingly, although a merchant may absorb the tax and not pass it on to the customer, he may not make use of that fact in any manner to induce the sale of his merchandise without subjecting himself to possible liability for the penalty specified in the law.

Retail Tire Prices

A quick survey by the Office of Price Administration discloses that tire retailers have raised their prices only a small fraction of the amount which manufacturers raised their consumer prices October 20. This, OPA officials point out, is in line with its policy of urging retailers to dispose of stocks on hand

at prices based on actual cost, and to raise prices to consumers only as, and by no greater amounts than wholesale prices are increased.

October 11 tire manufacturers were notified by Administrator Leon Henderson that no objection would be raised to advances in consumer list prices on tires and tubes of not more than 9 percent over June 16, 1941, levels. This action was taken as a result of higher costs principally for rubber, cotton, and other materials.

Classes of wastepaper under ceiling subdivided and prices adjusted

Subdivision of wastepaper classifications under price ceilings, to make 34 grades instead of 23, and the addition of specific allowances for jobbers' services are the principal points involved in an amendment to Price Schedule No. 30—Wastepaper Sold east of the Rocky Mountains—announced October 30 by OPA Administrator Henderson.

Also included in the revision is a clarification of the provision permitting an additional charge of \$1 a ton by dealers for loading wastepaper on railroad freight cars.

Mr. Henderson repeated his earlier statement that householders, office buildings and other primary sources of wastepaper cannot collect the ceiling prices. Nor can small collectors and dealers, who dispose of their material to large dealers and packers. These intermediate sales, he added, must be made below the established maximums in order that final sales to consumers may be made within the ceiling prices.

Grades now added to the schedule represent a split-up of several grades already included into two or more classes.

Comparison of these grades as originally covered with the grades as now set forth in the amendment follows. The old grade and ceiling are stated first in each case, and the new grades and ceilings are italicized.

New manila envelope cuttings, \$54—*One cut new manila envelope cuttings, \$57.50; new manila envelope cuttings, \$53.*

No. 1 hard white shavings, \$50—*No. 1 hard white shavings, unruled, \$57.50;*

PRIORITIES FIELD OFFICES

Four new field offices of the Priorities Division of the Office of Production Management have been opened for business.

Lewis E. Crandall, formerly district manager, St. Louis, Mo., was appointed to the post of regional coordinator for the Southwest area. Mr. Crandall is succeeded as district manager in the St. Louis office by W. H. Goodloe.

The addresses of the new offices, and names of district managers, follow:

Dayton, Ohio—32 North Main St., Harold B. Doty, district manager; *Tulsa, Okla.*—Alfred E. Ballin, district manager; *Milwaukee, Wis.*—First Wisconsin National Bank Building, Frank J. Tharinger, district manager; *Hartford, Conn.*—805 Main St., Edwin L. Howard, district manager.

No. 1 hard white shavings, ruled, \$50.

Hard white envelope cuttings, \$60—*One cut hard white envelope cuttings, \$67.50; hard white envelope cuttings, \$62.50.*

No. 1 soft white shavings, \$43—*One cut soft white shavings, \$57.50; No. 1 soft white shavings, \$50; miscellaneous soft white shavings, \$43.*

Fly leaf shavings, \$33.50—*No. 1 fly leaf shavings, \$33.50; No. 2 fly leaf shavings, \$22.50; No. 1 groundwood fly leaf shavings, \$25; No. 2 mixed colored groundwood shavings, \$18; mixed colored shavings, \$15.*

No. 1 white ledger, \$42.50—*No. 1 white ledger, \$43.50.*

No. 2 mixed ledger (colored ledger), \$38.50—*No. 2 mixed ledger (colored ledger), \$37.50.*

No. 1 assorted kraft (old kraft), \$30—*Triple sorted No. 1 brown soft kraft, \$50; No. 1 assorted kraft (old kraft), \$35.*

New 100 percent kraft cuttings, \$52—*Kraft envelope cuttings, \$65; mixed kraft envelope and bag cuttings, \$55.*

The foregoing prices are per short ton, f. o. b. point of shipment to mill. All other prices and grades in the schedule remain unchanged.

In clarification of the recent addition to the schedule permitting dealers to charge \$1.00 a ton above the ceilings for loading wastepaper on freight cars, the new amendment stipulates that to be entitled to make this charge such loading must be performed by dealers at a team track or public freight yard.

Office of Facts and Figures created to formulate programs for informing public

By Executive order dated October 24, President Roosevelt created within the Office for Emergency Management the Office of Facts and Figures. Text of the order follows:

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and in order to define further the functions and duties of the Office for Emergency Management in the Executive Office of the President with respect to the unlimited emergency as declared by the President on May 27, 1941, and for the purpose of facilitating the dissemination of factual information to the citizens of the country on the progress of the defense effort and on the defense policies and activities of the Government, it is hereby ordered as follows:

Under President's supervision

1. There is established within the Office for Emergency Management of the Executive Office of the President an Office of Facts and Figures, at the head of which shall be a Director appointed by the President. The Director shall discharge his responsibilities and duties under the direction and supervision of the President. The Director shall receive no salary or other remuneration for his services, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To use existing agencies

2. Subject to such policies and directions as the President may from time to time prescribe, the Office of Facts and Figures shall formulate programs designed to facilitate a widespread and accurate understanding of the status and progress of the national defense effort and of the defense policies and activities of the Government; and advise with the several departments and agencies of the Government concerning the dissemination of such defense information. The Office of Facts and Figures shall rely upon the services and facilities of existing agencies of the Government for the dissemination of information.

3. The several departments and agencies of the Government shall make available to the Director, upon his request, such information and data as he may deem necessary to facilitate the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense.

4. There shall be in the Office of Facts and Figures an Advisory Committee consisting of the Director as chairman and such representatives of the Federal Gov-

RELiance ON PRESS AND RADIO UNCHANGED, SAYS MacLEISH

In accepting appointment as director of the Office of Facts and Figures, Archibald MacLeish, Librarian of Congress, issued the following statement:

I deeply appreciate the President's confidence in me as expressed by my appointment to direct the Office of Facts and Figures. As Librarian of Congress, I have been necessarily concerned with information as to the facts and figures of national defense, and I welcome the opportunity to render additional service in that particular field.

People entitled to facts

The Office of Facts and Figures is established, as I understand it, upon the assumption that the people of a self-governing country are entitled to the fullest possible statement of the facts and the figures bearing upon conditions with which their government is faced. The essential difference between a democracy and a despotic form of government is that a democracy is based upon a complete trust in the people and a democratic service of information must necessarily reflect that trust. The job of the Office of Facts and Figures, as stated in the Executive order, is to serve as an interdepartmental clearing house for information and data required "for the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense." In other words, the operation of the office will be purely within the Government.

The Office of Facts and Figures will not make a practice of issuing releases nor set up new channels for the dissemination of information, but will "rely upon the services and facilities of existing agencies of the Government in the dissemination of information." In other words, the establishment of the office will in no way change the relation between the departments and the agencies of Government and the press and radio services, nor will it alter the reliance of the Government upon these means of informing the people.

ernment and other members as he may determine. The members of the Advisory Committee shall serve without compensation, but shall be entitled to necessary travel, subsistence, and other expenses incidental to the performance of their duties.

5. Within the limits of such funds as may be made available to the Office of Facts and Figures, the Director may employ necessary personnel and make provision for the necessary supplies, facilities, and services. The Office of Facts and Figures shall use such fiscal, personnel, and other general business services and facilities as may be made available to it through the Office of Emergency Management.

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Plumbing and heating

Formation of a plumbing and heating defense industry advisory committee was announced October 27 by the Bureau of Clearance of Defense Industry Advisory Committees, OPM. Members are:

George Hoffman, manager, Plumbing Division Crane Co., Chicago; William M. Byrd, vice president, Alabama Pipe Co., Anniston, Ala.; E. S. White, president, U. S. Radiator Corp., Detroit; W. L. McGrath, vice president, Williamson Heater Co., Cincinnati; E. C. Sammons, vice president, Iron Fireman Co., Portland, Oreg.; J. A. Doucett, vice president, Revere Copper & Brass, Inc., New York, N. Y.; R. L. O'Brien, president, Detroit Brass and Malleable Co., Detroit; O. L. Swats, assistant sales manager, Grinnell Co., Inc., Providence, R. I.; M. W. Dennison, trustee, Braman Dow & Co., Boston, Mass.; L. F. Hudepohl, president, T. S. Conner, Inc., Cincinnati; H. M. Reed, president, American Radiator and Standard Sanitary Corp., New York, N. Y.; Charles D. Wessells, president, D. D. Wessells & Sons Co., Detroit; M. F. May, vice president, Young Radiator Co., Racine, Wis.; Frank C. Packer, assistant to president, Payne Furnace & Supply Co., Beverly Hills, Calif.; Harold Sweatt, president, Minneapolis-Honeywell Regulator Co., Minneapolis; N. H. Wewel, assistant, general sales manager, Jones & Laughlin Steel Co., Pittsburgh; R. L. Stewart, vice president, Stockham Pipe & Fittings Co., Birmingham, Ala.; G. E. Mumma, assistant supervisor, Plumbing and Heating Division, Sears Roebuck & Co., Chicago; and Edward Costello, Costello Engineering Co., Washington, D. C.

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ORE MOVEMENT

Reports from the four principal ore-handling railroads for the week ended October 25 showed they loaded into boats at Upper Lake ports 2,041,840 tons of ore as compared to 2,286,741 tons loaded during the corresponding week in 1940.

For the 1941 season of navigation to date these same railroads have loaded into boats a total of 66,917,106 tons as compared to 54,139,247 during the corresponding period of 1940, an increase of 12,777,859.

President sets up OEM Lend-Lease Office to exercise powers granted him in Act

An Office of Lend-Lease Administration was created within the Office for Emergency Management by Executive order dated October 28. E. R. Stettinius, Jr., will remain Lend-Lease Administrator under the new arrangement. OEM's Division of Defense Aid Reports was abolished.

Text of President Roosevelt's order follows:

By virtue of the authority vested in me by the Constitution and statutes, by the Act of March 11, 1941, entitled "An Act to promote the defense of the United States" (hereafter referred to as the Act), and by the "Defense Aid Supplemental Appropriation Act, 1941," and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve, and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To exercise powers conferred by Act

2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by that Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is receiving such aid, shall continue to be negotiated by the State Department, with the advice of the

Economic Defense Board and the Lend-Lease Administration.

3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of those lend-lease transactions which in the judgment of the Board affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.

Reports division abolished

4. Within the limitation of such funds as may be made available for that pur-

pose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to them any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. In so far as practicable, the Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management or other agencies of the Government.

5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

Business specialists, economists named to industrial, agricultural machine section

The following appointments to the industrial and agricultural machinery section of the price division, Office of Price Administration, were announced October 30 by Dr. J. K. Galbraith, assistant administrator:

Carl Adams Baer, president of Thermoseal Products, Inc., New York, to serve as principal business specialist, electrical equipment, and power generating apparatus unit.

Weir M. Brown heads research

Weir M. Brown, to head the liaison and research unit.

C. Lawrence Christenson, economist on leave of absence from Indiana University, to head the construction, petroleum production and mining equipment unit.

Arthur E. Clark, to be senior business specialist in the general and auxiliary machinery and equipment unit.

Maurice W. Lee, teacher of economics at the Utah State Agricultural College and former secretary-treasurer of Pyramid Chemical Co., to the machine tool unit.

Floyd J. Lucas, independent machinery dealer of Chicago, also to the machine tool unit.

Paul W. McGann, research assistant at the University of Chicago, to the analysis unit.

Jacob L. Mosak, economics instructor, University of Chicago, on leave of absence to work in the transportation equipment unit.

Edward G. Nelson, assistant professor of economics, Stanford University, to be consultant of the machine tool unit.

C. C. Ostrom, formerly president of Bradley & Hubbard Manufacturing Co., Meriden, Conn., to the parts and sub-assemblies unit.

Howard W. Reilly, vice-president and director of C. B. Evart & Co., New York, to head the material working and fabricating equipment unit.

Lloyd G. Reynolds, assistant professor of political economy, Johns Hopkins University, to be head business economist in the electrical equipment unit.

John J. Rodgers, recently contact man with the Ordnance Department on defense contracts, to specialize in second-hand machine tools, which are covered by Price Schedule No. 1.

Leroy W. Ross, independent oil operator and broker, to be an OPA field representative on construction, petroleum producing and mining equipment.

Allison F. H. Scott, vice-president and general sales manager, Hoffman Specialty Co., Indianapolis, to be principal business consultant in charge of the transportation equipment unit.

W. S. Shiffer heads parts unit

W. S. Shiffer, of Philadelphia, formerly general sales manager of Reading Iron Co., to be chief of the parts and sub-assemblies unit.

Roger L. Wensley, of New York City, president of the G. M. Basford Co., will devote half of his working time as principal business consultant to the mining, construction and petroleum producing equipment unit.

MATERIALS . . .

Aluminum and iron collected to fill urgent need, OPM officials answer critic

"A serious shortage of iron and steel scrap is imminent and some steel production has already been lost because of a lack of this vital raw material," A. D. Whiteside, chief of the iron and steel branch, Materials Division, OPM, declared October 31.

Mr. Whiteside's statement was included in a telegram to Governor Murray D. Van Wagoner, of Michigan, following a charge by August Scholle, regional director of the CIO, that a scrap collection campaign sponsored by the Michigan Council of Defense was "predicated on an alleged shortage existing in the steel industry." According to press dispatches, Mr. Scholle, in a letter to Governor Van Wagoner, had also asserted that the appeal for collection of iron and steel scrap was "a hollow echo of the equally hollow aluminum drive."

In his telegram to the Governor, Mr. Whiteside said:

"My attention has been called to a statement issued today by August Scholle, Regional Director of CIO, condemning the activity of the Michigan Council of National Defense in advocating a more widespread collection of iron and steel scrap for the reason there is no shortage of this vital defense raw material.

Consumption exceeds collection

"The fact is, a serious shortage of iron and steel scrap is imminent and already some steel production has been lost due to a lack of scrap. Compared with a total consumption of 26,800,000 gross tons in 1917, the peak year of the First World War period, steel mills and foundries in the first nine months of 1941 already had consumed over 39,000,000 gross tons. The indicated requirement for all 1941 is 52,000,000 gross tons. From dealers, who would prepare and ship to the mills such scrap as would be attracted out by a program such as Michigan is undertaking, the Government is expecting 28,000,000 tons this year, compared with 17,000,000 tons last year. Consumption during 1941 has exceeded collection of scrap with the result that stocks have been drawn down in some cases to the vanishing point.

"To keep steel mills and foundries operating at capacity, principally on defense, it will be necessary to bring out every possible ton of iron and steel scrap

from every potential source. The Michigan program, designed to make available scrap now dormant in auto wrecking yards, on farms, and in factories in the form of surplus or obsolete equipment, is very necessary and timely and the Office of Production Management is hopeful that this program will be prosecuted with the vigor which is characteristic of everything that the State of Michigan undertakes."

All of aluminum usable for defense

Replying to Mr. Scholle's indirect reference to the Nation-wide aluminum collection campaign of last July, Paul Cabot, deputy director of OPM's Bureau of Industrial Conservation, wrote to Governor Van Wagoner, declaring that the aluminum salvaged during the appeal "was and is urgently needed." In his message to the Governor, Mr. Cabot enclosed a copy of a letter he had recently written in reply to an inquiry concerning the aluminum drive. In the letter, Mr. Cabot said:

"In the first place, all of the pots and pans contributed by the Nation's housewives will be used directly or indirectly in defense and the material was and is urgently needed. Specifically, the pots and pans were sold in the first instance by the Treasury Department to 28 smelters selected because of the fact that they had defense preference ratings and, therefore, the proceeds of their manufacture was controlled by the Office of Production Management and could only go to designated users who would use the material for defense purposes. More recently, however, in order to make this doubly sure, it was arranged that substantially all of the ingot resulting from the melting down of the pots and pans will be sold to the Metals Reserve Co., a subsidiary of the Reconstruction Finance Corporation which is, as you know, a Federal agency. They are to hold title to the ingot and are to sell it to specified users that will be designated by the Aluminum and Magnesium Branch of the Office of Production Management. It is specified that at least 20 percent of the ingots produced shall be so-called "98 percent plus" aluminum. This is a very high-grade secondary aluminum and can be used directly in airplane construction. At least 25 percent is to be so-called "No.

12" aluminum which is an aluminum-alloy that can be used for castings and, hence, in direct defense production. The balance, or not more than 55 percent is in the form of so-called "deoxidizing" aluminum which is essential in steel-mill operation. Its use in this manner will liberate an equal quantity of primary aluminum which will be used directly for airplane or other defense construction.

Delay in moving is explained

"The proceeds from the sale of the scrap to the smelters are part of the Miscellaneous Receipts of the Treasury Department, and as such, are exactly like all other Federal funds, subject to the appropriation of the Congress.

"The campaign was not undertaken for its propaganda effect, but for the necessity of the material involved.

"As you know, there has been delay in moving the material from the concentration points to the smelters. This has been caused not because of lack of interest in the materials, but rather because of the fact that it was deemed advisable to have the material sold directly to the smelters. Normally, this type of material would be sold to some two or three thousand dealers scattered all over the country who would clean, sort, segregate, and bale the material. Instead of using the normal trade procedure, 28 smelters were asked to perform this service for which they had no machinery, no help, and substantially no experience. Also, they had insufficient yard space, and it was impossible for them to take in a new batch of material until they had processed their first batch. Obviously, 28 smelters cannot do what two or three thousand experienced dealers could do in the same time—hence the delay."

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Managers named for three new contract offices

Appointment of three managers of newly created field offices of the Contract Distribution Division of OPM was announced October 30 by Director Floyd B. Odum.

F. J. Holman is manager of the office at Albany, N. Y.

T. D. Harter is manager of the office at Syracuse, N. Y.

T. Wilbur Weger is manager at Spokane, Wash.

PURCHASES . . .

\$242,968,022 War Department contracts cleared October 23 through October 29

Defense contracts totaling \$242,968,022 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 23 through October 29. This compares with a total of \$50,487,959 for the previous week.

Contracts for ordnance amounted to \$167,555,154; contracts for aircraft to \$56,287,931 and contracts for construction to \$19,124,937.

A compilation of announcements for the week follows:

ORDNANCE

Rock-Ola Mfg. Corporation, Chicago, Ill.; ammunition boxes; \$951,334.
 Tokheim Oil Tank & Pump Co., Fort Wayne, Ind.; shot; \$2,791,090.
 Detroit Harvester Co., Dura Co. Division, Toledo, Ohio; cartridge cases; \$1,650,000.
 Scovill Mfg. Co., Waterbury, Conn.; fuzes; \$1,273,965.
 Darling Valve & Mfg. Co., Williamsport, Pa.; shells; \$595,680.
 Philco Corporation, Philadelphia, Pa.; fuzes; \$549,500.
 John Wood Mfg. Co., Conshohocken, Pa.; galvanized steel boxes; \$982,100.
 Cincinnati Milling Machine & Cincinnati Grinders, Inc., Cincinnati, Ohio; milling machines; \$500,580.
 Cincinnati Milling Machine & Cincinnati Grinders, Inc., Cincinnati, Ohio; milling and cutter machines; \$519,449.
 R. K. LeBlond Machine Tool Co., Cincinnati, Ohio; lathes, gun drilling, boring and rifling machines; \$1,111,799.
 Beckwith Mfg. Co., Dover, N. H.; scabbards; \$549,000.
 Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; guns; \$2,580,510.
 Colt's Patent Fire Arms Mfg. Co., Hartford, Conn.; guns; \$3,944,834.
 Western Cartridge Co., Winchester Repeating Arms Co. Division, New Haven, Conn.; rifles; \$5,791,200.
 Utica Cutlery Co., Utica, N. Y.; bayonets; \$794,000.
 American Type Founders, Inc., Elizabeth, N. J.; guns; \$2,551,500.
 National Pneumatic Co., Rahway, N. J.; guns; \$3,848,460.
 United Engineering & Foundry Co., Pittsburgh, Pa.; howitzers; \$1,021,377.
 Nash Kelvinator Corporation, Detroit, Mich.; binoculars; \$2,137,500.
 Union Oil Co., Los Angeles, Calif.; toluene; \$2,100,000.
 Rockwood Alabama Stone Co., Russellville, Ala.; shells; \$1,026,150.
 American Brake Shoe & Foundry Co., American Forge Division, Chicago, Ill.; shells; \$532,440.
 Atlas Imperial Diesel Engine Co., Mattoon, Ill.; shells; \$770,804.
 Stewart-Warner Corporation, Chicago, Ill.; fuzes; \$2,607,267.
 The S. M. Jones Co., Toledo, Ohio; shot; \$1,400,000.
 The S. M. Jones Co., Toledo, Ohio; body forgings for shot; \$1,200,000.
 Feltex Corporation, Detroit, Mich.; fiber containers; \$4,402,760.
 Philco Corporation, Philadelphia, Pa.; fuzes; \$1,020,500.

Pullman Standard Car Mfg. Co., Butler, Pa.; shells; \$3,070,000.

U. S. Hoffman Machinery Corporation, Syracuse, N. Y.; shells; \$1,648,000.

Sefton Fibre Can Co., St. Louis, Mo.; fibre containers; \$706,789.

Reynolds Research Corporation, Reynolds Metal Co., Subsidiary, Richmond, Va.; fiber containers; \$1,070,205.

A. O. Smith Corporation, Milwaukee, Wis.; bombs; \$728,000.

A. O. Smith Corporation, Milwaukee, Wis.; bombs; \$25,988,800.

Eastman Kodak Co., Rochester, N. J.; optical pressings and elements; \$1,684,349.

General Motors Corporation, Detroit, Mich.; guns; \$9,489,670.

General Time Instrument Corporation, Westclox Division, LaSalle, Ill.; fuzes; \$985,000.

E. I. du Pont de Nemours & Co., Wilmington, Del. (for manufacture at Barksdale, Wis.); trinitrotoluene; \$1,512,500.

Pullman Standard Car Mfg. Co., Butler, Pa.; shells; \$945,000.

General Motors Corporation, Detroit, Mich. (for manufacture at Saginaw Stearing Gear Division, Saginaw, Mich.); guns; \$2,824,071.

Atlas Powder Co., Wilmington, Del., trinitrotoluene; \$510,000.

Harrington & Richardson Arms Co., Worcester, Mass.; pistols; \$2,402,982.

Savage Arms Corporation, Utica, N. Y.; rifles; \$30,402,000.

Remington Arms Co., Inc., Ilion, N. Y. Plant, Bridgeport, Conn.; rifles; \$9,808,800.

Colt's Patent Firearms Mfg. Co., Hartford, Conn.; machine guns; \$1,809,151.

J. G. Brill Co., Philadelphia, Pa.; carriages; \$1,042,560.

General Motors Corporation, Delco Appliance Division, Rochester, N. Y.; directors; \$1,760,640.

Sperry Gyroscope Co., Brooklyn, N. Y.; directors; \$14,901,500.

War Supplies, Ltd., Ottawa, Canada; tracks; \$606,250.

American Cyanamid and Chemical Corporation, Maynard, Mass.; chemicals; \$847,600.

Frost Co., Kenosha, Wis.; cartridge cases; \$886,000.

International Harvester Co., Milwaukee, Wis.; shells; \$734,388.

Doehler Die Casting Co., New York, N. Y.; tail plugs and primer holders; \$1,150,000.

U. S. Cartridge Co., Baltimore, Md. (subsidiary of Western Cartridge Co.); cartridges; \$1,157,200.

AIRCRAFT

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; compasses and inverters; \$2,451,000.

Packard Motor Car Co., Detroit, Mich.; engine parts; \$17,726,234.

Westinghouse Electric & Mfg. Co., Dayton, Ohio; generator voltage regulators and switch relays; \$632,500.

Independent Engineering Co., Inc., O'Fallon, Ill.; oxygen cylinders; \$829,309.

The Crosley Corporation, Cincinnati, Ohio; bomb shackle assemblies; \$661,033.

Weston Electrical Instrument Corporation, Newark, N. J.; indicators, bulbs and generators; \$1,206,642.

American Propeller Corporation, Toledo, Ohio; propeller blade assemblies; \$12,185,061.

Nash Kelvinator Corporation, Detroit, Mich.; propeller assemblies and spare parts; \$19,503,878 (previously announced as letter of intent in July 9 issue).

The Lewis Engineering Co., Naugatuck, Conn.; thermometers, indicators; \$538,488.

Iron Fireman Mfg. Co., Portland, Ore.; mount assemblies; \$553,796.

CONSTRUCTION

Ford Motor Co., Dearborn, Mich.; installation of machinery and equipment for the manufacture of aircraft engines; \$9,788,916. (Defense Plant Corporation agreement of lease.)

Goodyear Aircraft Corporation, Akron, Ohio; establishment of plant and equipment for manufacture of outer wings and control surfaces; \$4,343,671. (Defense Plant Corporation agreement of lease.)

North American Aviation, Inc., Inglewood, Calif.; increased manufacturing facilities including land, buildings and equipment; \$954,099. (Defense Plant Corporation agreement of lease.)

Fleetwings, Inc., Bristol, Pa.; additional expansion of plant facilities and equipment for manufacture of aircraft parts and accessories; \$354,035. (Defense Plant Corporation agreement of lease.)

J. A. Jones Construction Co., Charlotte, N. C.; construction of miscellaneous buildings, Fort Jackson, S. C.; \$537,282.

Griffith Co., Los Angeles, Calif.; construction of temporary buildings and appurtenant facilities, West Coast Air Corps Training Center, Replacement Center, Santa Ana, Calif.; \$2,016,181.

United Construction Co., Winona, Minn.; construction of superstructure for ocean terminal, Brookley Field, Mobile, Ala.; \$1,130,753.

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Builders of fire-fighting apparatus for defense aided by A-2 rating on materials

Beginning October 31, manufacturers of essential fire-fighting apparatus, needed to fill defense orders, will be assisted by a preference rating of A-2 in acquiring the necessary materials.

Preference Rating Order P-45, issued October 31 by Priorities Director Nelson, specifically restricts the use of the A-2 rating to deliveries of material which will be physically incorporated in the finished product required to fill defense orders. A supplier, who has been furnished with a copy of the order by a producer, may apply the rating to deliveries to him of materials to be passed on to his customer, provided that they are for the uses authorized.

A-2 for essentials only

On October 4, 1941, a letter was addressed to manufacturers of motorized fire apparatus by Douglas C. McKeachie, Director of Purchases, OPM, requesting them to refrain from the production of certain types of equipment, and the use of scarce materials, save in essential parts where no substitution is possible. This request is in no way affected by the new order, and the A-2 rating should not be applied, the Priorities Division pointed out, to the nonessential items listed in the letter.

TRANSPORTATION . . .

Carrier capacity should keep pace with production in industry, agriculture—Budd

The capacity of the country's transportation agencies must be kept in balance with the capacity for production in industry and agriculture, declared Ralph Budd, Transportation Commissioner, OEM, in an address to the Associated Traffic Clubs of America in Milwaukee, October 21.

Must expand in proportion

Excerpts follow:

I believe that people generally appreciate how vital adequate transportation is to the national defense. All types of carriers have realized it, and have been concerned with keeping their facilities in condition to insure success in meeting the future demands upon them.

My own feeling has been that the capacity of the country's transportation agencies must be kept in balance with the capacity for production in industry and agriculture. This means that while arrangements are being made to grow more crops and live stock and to manufacture more goods which will be offered for shipment, the carriers during the same period, must expand in like proportion.

Forecasts have been made by the Bureau of Research and Statistics of the Office of Production Management that 51 million carloads of freight will be offered for handling in 1942. That would be an increase of about 20 percent over 1941, and is based on the defense program, including Lend-Lease, and the probable effect on civilian purchasing power of the larger pay rolls.

Lag may be of short duration

Those who think the leveling off process will continue, believe that adjustments due to shortage of materials are being felt seriously in civilian production, and that until some plants, which cannot obtain material for their ordinary lines, become active in defense work, there will be such a lessening in output on their part as to reduce appreciably the total traffic of the country. It is important to keep in mind that this lag may be of relatively short duration. It seems certain that the enlarged capacity of farms, smelters, and mills will result in a corresponding increase in total volume of traffic, although such in-

crease will come somewhat gradually because of the length of time required to increase the capacity for making steel. It is estimated now that about 3 million tons more steel will be rolled in 1942 than in 1941, and that larger smelting and rolling capacity up to 10 million tons annually may be available during part of the year 1943.

In view of the uncertainty, and disagreement of experts, there seems but one wise course for those who are responsible for transportation, and that is to prepare for the larger of the estimated requirements, rather than for the smaller.

Three major policies have been followed to increase the effective capacity of the railroads:

(1) Repairing as many cars as practicable and putting them back into service.

(2) Building new cars.

(3) Making better use of the cars by keeping them on the move a greater part of the time, and loading them as heavily as possible. It is in this effort that the most effective possible cooperation is needed on the part of shippers and carriers.

Of course, all of us must realize that there is distinctly a limit to how much and how rapidly further improvement can be made in operating efficiency. Quite evidently there is less opportunity for making better use of cars than there was a year ago when the showing was not so favorable. It is also obvious that the amount of available equipment cannot be increased much more by repairing unserviceable cars, because the bad order percentage is now so low. Therefore, it will be necessary to add substantially to the number of cars and locomotives by building new ones during the time that the farm program is being expanded and factories, mills, and mines are being enlarged.

Sound maintenance methods urged upon bus, truck owners to offset possible shortage

Following his recent warning that certain sections of the country face a possible trucking shortage, John L. Rogers, chairman of the Central Motor Transportation Committee, appealed October 25 to fleet operators and owners of single busses and trucks to institute sound maintenance methods.

Good servicing programs, Mr. Rogers said, in a report to Transportation Commissioner Budd, will result in reduction of costly road repairs, in the time vehicles are laid up for repairs, and give longer vehicle life.

Excerpts from Mr. Rogers' report follow:

I am especially interested in seeing such a plan adopted by the small fleet operator or the owner of a single bus or truck, because this group operates most of the Nation's 4½ million commercial vehicles and therefore is the one which can effect the greatest savings.

Our supply of rubber, a vital defense factor, must be jealously protected. Commercial vehicle operators can do their part by checking tires frequently

for cuts and bruises, keeping them fully inflated at all times, and when the treads wear smooth, sending them to a responsible tire re-capping firm for tread rebuilding. This program, carefully observed, should increase tire life almost a third.

Oil and grease costs are small compared to the cost of replacement parts. Fleet operators should observe carefully fixed lubrication schedules based on manufacturers' recommendations, supplemented, of course, by their own experience. Such schedules should coincide as far as possible with preventive maintenance schedules so as to minimize lay-up time of vehicles. Maintenance operations usually can be performed during hours when vehicles normally are in the least demand thereby greatly increasing their availability.

The Central Motor Transportation Committee urges all owners who do not maintain their own repair facilities to insist upon adherence to the fundamentals of sound preventive maintenance practices by the servicing concerns with which they deal.

September motor truck freight surpasses all previous records

Smashing all previous records, the volume of revenue freight transported by motor truck in September increased 2.2 percent over August, and climbed 27.0 percent over the volume hauled in September 1940, according to reports compiled by the American Trucking Association and forwarded to Ralph Budd, Transportation Commissioner.

Comparable reports were received from 226 motor carriers in 39 States. The reporting carriers transported an aggregate of 1,682,173 tons in September, as against 1,593,568 tons in August, and 1,281,577 tons in September 1940.

General freight over 80 percent

Slightly more than 80 percent of all the tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 2.1 percent over August, and 30.4 percent over September of the previous year.

Transporters of petroleum products, accounting for 6 percent of the total tonnage reported, showed a decrease of 7.8 percent under August, but held 36.3 percent over September 1940.

More new cars and trucks hauled

Movement of new automobiles and trucks constituted approximately 3 percent of the total tonnage reported. Tonnage in this class showed a sharp increase of 43.2 percent over August, when the carriers were hit hard by factory shutdowns for remodeling, but the volume still was 27.7 percent under that of September of last year.

Haulers of iron and steel products reported a little more than 4 percent of the total tonnage. The volume of these commodities decreased 11.8 percent under August, but increased 6.3 percent over September 1940.

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GEO. C. RANDALL APPOINTED PORT CONSULTANT

Ralph Budd, Transportation Commissioner, on October 28 appointed George C. Randall, of the Association of American Railroads, as consultant on port clearances in the Transportation Division, OEM.

Mr. Randall will handle problems arising from the movement of defense traffic, including Lend-Lease materials.

HEALTH AND WELFARE . . .

Hospitality to soldiers is spontaneous but defense workers get little recreation

Stressing the recreational needs of workers in defense industry, Mark McCloskey, Director of Recreation for the Office of Defense Health and Welfare Services, has recently offered the full cooperation and guidance of the Recreation Division to communities to enable them to extend their recreational facilities. In comments in connection with Civilian Defense Week, Mr. McCloskey said:

Recreation for the armed forces has been rapidly developed. Local defense committees, community groups, and individuals have cooperated wholeheartedly in providing leisure-time activities for the men in uniform. The United Service Organization is providing supplemental help. All in all, the picture for the armed forces is one of community hospitality that is spontaneous, open-handed, and genuinely friendly.

Workers present greater problem

The defense worker presents an even greater problem. His average wage is less than \$140 a month. With this he must feed, clothe, and shelter his family and, in addition, provide for miscellaneous necessities. With rents extremely high in crowded defense areas, and food costs excessive, he has very little left with which to pay for any recreation.

Results of the lack of wholesome leisure-time activities for industrial workers are showing up all over the country. Beer halls, gambling joints, and dance halls are doing a land-office business in defense areas. School facilities are overtaxed. In North Charleston, S. C., where navy-yard workers have more than doubled the population in the last year, four schools which normally can provide for 2,000 children must provide for 4,500. Auditoriums, basements, and halls are being used for classrooms, leaving no place for play. Kindergartens are being discontinued and elementary and high school classes run two shifts.

Neglect increases delinquency

In the Mohawk valley area where there is much defense industrial work in small arms and textiles, and an acute labor shortage, many women are employed along with their husbands. Children have been left to shift for themselves, and there has been a marked increase in

the juvenile delinquency rate among adolescent boys who got into mischief for lack of any constructive recreation.

People must wake up to this need just as they have waked up to the needs of the men in uniform. Community recreation programs must be extended to take in large numbers of new industrial workers. Community and neighborhood recreation centers, school auditoriums and gymnasiums open after school hours, organized games and activities at playgrounds, these are some of the ways that industrial workers and their families can be given an opportunity to participate in wholesome leisure-time activities, and thereby become more useful citizens in the community.

Professional director saves grief

A professional director of recreation, with some funds to spend for necessary space and equipment, will in the long run save a lot of money and a lot of human misery in such communities.

Wichita, Kans., whose population has been more than doubled with the building of large aircraft plants nearby, has set a good example. It has opened eight neighborhood recreation centers, which are filled to capacity day and night.

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CARLOADINGS DROP

Revenue freight carloadings during the week ended October 25 totaled 913,605 cars, an increase of 9.1 percent over the 837,657 cars loaded during the corresponding week in 1940; but a decrease of 9,279 cars under the preceding week.

CARLOADINGS—WEEK ENDED OCTOBER 25

	1941	1940	Percent increase
Grain and grain products.....	35,083	40,421	13.2
Livestock.....	20,378	22,509	10.6
Coal.....	165,220	136,430	21.1
Coke.....	13,140	11,989	9.6
Forest products.....	45,917	43,604	5.3
Ore.....	68,455	68,512	1.1
Merchandise l. c. l.....	159,828	156,728	2.0
Miscellaneous.....	405,584	357,464	13.5
Total.....	913,605	837,657	9.1
Cumulative—43 weeks.....	34,921,366	29,859,516	17.0

¹ Decrease.

AGRICULTURE . . .

*(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)*

U. S. food can decide course of history, say two officials back from England

American farmers and American people have in their hands the power to decide the course of history. That is the major conclusion reached by Paul H. Appleby, Under Secretary of Agriculture, and R. M. Evans, Administrator of the Agricultural Adjustment Administration, after a month's visit to Great Britain.

In the words of Mr. Evans: "The world today is like a speeding car headed straight for a bottomless crater. For the moment we Americans are at the wheel, in position to turn that speeding car onto a safe road—if we act in time. It will take food, munitions, and more food—the right kinds of food—to do the job. What we saw in Britain convinces me of this fact."

Food important at the conference table

Both of the men, who went to England to learn about the British food problems and needs, base their conclusion on two facts. First, Great Britain must have American food to win. Second, food is the hope of hungry people all over Europe, and for that reason the food America is producing now and will produce in the next few years will play a very important part at the peace table.

As an essential "implement" of total war, food is receiving major attention in Britain today, according to Appleby and Evans. They report that the first concern of everyone is to see that no one goes hungry so long as there is food to divide all around, and that all go equally hungry if there isn't enough of any one item to go around.

Both lost weight in England

"In Britain," Mr. Appleby said, "practically all the basic food is rationed. Each person has a ration card which he takes to his grocer each week to get the foods that he's allowed. He can buy all the bread or potatoes he wants, but meat, cheese, eggs, butter, lard—most of the common foods—are rationed.

"Of course the rationing applies to visitors to Britain, as well as to the residents of the country, and you may get some idea of the effect of the limited diet when I tell you that I lost 8 pounds and Mr. Evans lost 10 pounds in 4 weeks. I didn't have a glass of milk to drink all the time I was gone; all the milk that

is produced in England goes to babies, young children, and nursing mothers. I had only one egg in 4 weeks."

Whole country is in crops

Both Appleby and Evans were impressed by the British farming effort which is supplementing the rationing system.

"They've got the whole country in crops of one kind or another," Mr. Evans said. "Pastures, some of them a hundred or more years old, golf courses and the like, have been broken up for cultivation. But despite all the farmers of England are able to do for themselves, and despite all the rationing, the British say frankly, 'Cut off American food tomorrow, and Great Britain is a thing of the past.' They couldn't get through the winter."

The picture of postwar possibilities that presented itself to these visitors to Britain was black, but not without opportunity.

Drive launched to repair farm machines with help of agriculture's Defense Boards

Secretary of Agriculture Claude R. Wickard has announced a Nation-wide farm machinery repair program designed to help farmers meet prospective reductions in new farm machinery in 1942 to make more steel available for other defense needs.

As an initial step in the campaign, all farmers contacted in the current sign-up campaign for the 1942 Farm Defense Program will be urged to check their machinery and to order needed repairs at once. Plans for carrying out the repair program will be made by State and county USDA Defense Boards early in November.

"Each Defense Board has been requested to organize at once and carry out before March 15 a complete program," Secretary Wickard said. "Farmers will be working for record production of food in 1942 despite shortages. There will be much less new farm machinery manufactured in 1942 than in 1940 and 1941.

"Many people told me," Mr. Evans said, "that this war will leave such widespread malnutrition among children alone all over Europe that 20 years from now the continent may be faced with a crippled population. These people know we have food. They will soon know we are accumulating great stockpiles of food for freedom as we aim at the greatest American farm production in history. My visit to Great Britain and my talks with people who had been all over Europe convince me that those stockpiles of food reserves now being built up for the sake of democracy will be the biggest single factor in shaping the future course of world history.

"Twenty-three years ago we helped win the war for democracy but we lost the peace. As a result a more devastating tyranny now threatens to engulf the world. This time we cannot afford to lose the peace. In the fight for freedom, milk and meat will take up the job where bombs and planes leave off.

"That job is America's, and today the farmers of America in the National Farm Defense Program are mobilizing the full productive strength of our farms in the fight for freedom."

"In many areas fewer farm workers will be available than in recent years. To offset these shortages as far as possible the Government plans to make enough metal available so that farmers can obtain parts with which to repair used machinery. Much machinery that normally would be discarded must be used in 1942 . . .

"This is not a farmer program alone. It must have the support and assistance of manufacturers, merchants, mechanics, blacksmiths, schools and colleges."

County defense boards are expected to make an appraisal of the farm equipment situation in their counties and an inventory of machinery repair and welding shops, and check on the availability of skilled mechanics and farmers skilled in repair work.

Each farmer will be urged to (1) check old machinery, (2) order necessary parts from dealers immediately and (3) notify his county defense board if parts cannot be obtained.

CIVILIAN DEFENSE . . .

This is not a war of soldiers alone, Civilian Defense Week will teach

In proclaiming Armistice Day as the start of Civilian Defense Week, President Roosevelt has focused attention upon the fact that the new war is not only a war of soldiers, but of civilians as well.

The heroes of "total war" may never don a uniform, may never enter a trench, may never fire a gun. Back yards have become front lines. Cellars have become dugouts.

The spectacle abroad will bring particularly sober thoughts to the veterans of the A. E. F. who will dominate the celebration of Armistice Day. But it is to the people of the occupied countries of Europe that this year's Armistice Day must bring the most poignant memories. They are the people of France—of Denmark—of Belgium—of Holland—of Poland—of Czechoslovakia—of Norway.

It is in the hearts of the people of these erstwhile democratic countries that Armistice Day must evoke the most bitter reminiscences.

Great Britain finds herself this Armis-

stice Day in the death struggle for survival. All but forgotten are the mistakes of Munich and Berchtesgaden. Forgotten too are the mistakes of the first war years—the mistakes of apathy and of negligence which in the beginning rendered ineffective the attempts at protection of the civilian population in London, Coventry, Birmingham, and Dover.

Civilian defense in Britain no longer is academic. Civilian defense to the populace of Britain today is one of the realities. There is a place for everyone in the gigantic program of civilian defense throughout England.

But in Paris and Antwerp—in Prague and Warsaw—in Copenhagen and in Oslo, there is no civilian defense. There is instead the goose-step of heavy Nazi boots and the hated, brutal Nazi regime.

From these erstwhile peaceful citizens of once free nations, could they send their message past the Nazi censorship, conceivably might come to citizens of the yet-free Americas the admonition "Prepare while yet you may."

Veterans in all parts of the United States, its territories and possessions, this Armistice Day will lead the observance, and it is the veterans' organizations primarily who have given such impetus to the program of the Office of Civilian Defense. More realistic, perhaps than most others, Legionnaires have vitalized the various services into which the Civilian Defense Program has been divided. It is they who have energized the air-raid warden service, the auxiliary police and fire services and innumerable others. And it is Legionnaires, who, beginning Armistice Day, more than any other group, will seek to arouse those among our citizenry who may be lethargic and apathetic.

President calls all to duty

In his proclamation announcing Armistice Day as the beginning of Civilian Defense Week, President Roosevelt said he designated that period "as a time for all persons throughout the Nation to give thought to their duties and responsibilities in the defense of this country, and to become better informed of the many vital phases of the civilian defense program and of the opportunities which it offers for the participation of every individual American in the defense of our priceless heritage."

Following Armistice Day, Civilian Defense Week has been divided into the following days:

Civilian Defense Week

Wednesday, November 12—"WAR AGAINST WASTE DAY" to bring home to every American the necessities for avoiding waste and for using substitutes wherever possible so as to expedite the production of material for our own armed services and for those who are still withstanding the Axis onslaught.

Thursday, November 13—"SIGN UP FOR DEFENSE DAY" to acquaint every American with the opportunities for participation as volunteers in the many services vital to the perfection of an effectual Civilian Defense.

Friday, November 14—"HEALTH AND WELFARE DAY" to emphasize the importance of a healthy and secure population as the foundation for strong military protection.

Saturday, November 15—"CIVILIAN PROTECTION DAY" to emphasize the need for the protection of civilians and their property, particularly in target areas along the Atlantic, Pacific, and Gulf coasts.

Sunday, November 16—"FREEDOM DAY" to reaffirm our faith in the fundamental freedoms and to emphasize the fact that a nation founded upon essential freedoms must be prepared to defend them.

Makers of milk cans, tin-plate equipment get ratings to meet 1942 dairying increase

The Office of Production Management acted October 28 to make available equipment necessary to handle an 8-billion-pound increase in next year's milk production.

Douglas C. MacKeachie, director of Purchases, announced that arrangements have been made for granting a preference rating of A-5 to manufacturers of milk cans and a limited preference rating of A-5 to manufacturers of hot-dip tinned and tin-plate dairy equipment.

The plan is effective at once and will end March 15, 1942.

Manufacturers will submit PD-1 forms for the steel sheet, and their orders may then be made eligible for A-5 ratings.

Mr. MacKeachie warned that the rating may not be used to build up an inventory. It may be used only for the manufacture of the cans and pails needed to handle next year's stepped-up milk production program.

In the case of the rating for milk cans, only enough steel will be allocated to produce 955,000 cans necessary to handle

the additional 8 billion pounds of milk, and an additional 385,000 cans needed for normal replacements.

In the case of the rating for tin-plate equipment, only enough steel will be allocated to provide an increase of 6.8 percent in dairy pails, milk-strainer pails, milk kettles, milk strainers, and setter or cream cans, to take care of a 6.8 percent increase in milk production.

Each manufacturer will be required to show evidence of his intention to cooperate in the program to get the cans to the milk producers before the opening of the milk season next spring.

As a condition of the receipt of steel under this program, no manufacturer shall maintain an inventory larger than that required for his current rate of operation.

Any of the raw materials in the producer's plants on October 15 will be subtracted from the amount allotted.

This program has been worked out through cooperation of the Department of Agriculture and OPM.

Boys' Clubs enlisting 400,000 members for waste paper salvage

The Boys' Clubs of America are enlisting their 400,000 members in 360 cities and towns of the United States in the national waste paper salvage campaign.

Price Administrator Leon Henderson on November 1, expressed his appreciation in a letter to David Armstrong, executive director of the organization, 381 Fourth Avenue, New York City.

The waste paper drive was started early in September by the Wastepaper Consuming Industries with the indorsement of the Office of Price Administration and the Office of Production Management.

Mr. Henderson's letter to Mr. Armstrong pointed out that "wastepaper is needed for national defense because it is the raw material of paperboard boxes in which many defense products are packed and transported. The need for these containers is growing rapidly and will increase substantially in 1942."

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

Douglas fir lumber schedule amended to conform to construction trade practices

A number of amendments to price schedule No. 26, Douglas Fir Lumber, designed to fit the schedule better into established trade practices and requirements of the construction industry were announced November 1 by OPA Administrator Henderson.

Allowance on special conditions

The amendments fall in three groups. Under the first an allowance of \$3.50 per 1,000 board feet is permitted for retail sales to consumers and contractors when the following conditions are observed:

- (1) The sale must be for less than 20,000 board feet.
- (2) The lumber must be delivered to the job site or other point specified by the purchaser.
- (3) The privilege of exchanging the goods and returning unused material must be extended to the purchaser.
- (4) The seller must have the ability to replace deficiencies and adjust complaints from stocks on hand kept for that purpose.

Supersedes interpretations

Effect of this will be to enable contractors to obtain services customarily given by retailers on shipments made direct from the mill where the lumber is produced to the job where it is used. Under the original ceiling no allowance was made for such services. In a number of cases specific interpretations were issued covering out-of-pocket costs for such services. The amendment supersedes such interpretations and in effect embodies them in the schedule itself.

Under the second group of changes a number of types of lumber omitted from the original schedule are brought in.

These include:

- (1) Shop lumber from which doors and windows are made.
- (2) A number of sizes of flooring and ceiling lumber.
- (3) Minor adjustments were made in the ceiling prices for select merchantable and select structural timbers, 1" by 4" and 1" by 10" boards, boards and timbers surfaced 1/4" off, 2" by 3" Number 3 grade, and Number 1 boards and timbers permitting up to 15% Number 2 grade.

New definition for mixed car

The third change in the schedule provides a new definition for a mixed car. The original schedule provided an allowance of \$2 a 1,000 board feet for a "mixed car" of lumber because of the additional cost involved in loading. The definition of a mixed car in the schedule, however, was found to be too lax. This definition has now been revised by the setting up of specific classes of lumber and the provision that at least 1,000 feet each of four or more classes must be included to make the car qualify as "mixed." The classes established in the new definition are based solely on type of lumber rather than type, width, and thickness as in the old schedule.

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100 new defense homes approved for Negro tenants

Recent Presidential approval of 100 defense homes in Coatesville, Pa., brought to 4,844 the total of defense homes for Negro occupancy.

OFFICE FOR EMERGENCY MANAGEMENT

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OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

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Sidney Hillman, *Associate Director General*.

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General Counsel, John Lord O'Brian.

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BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

NOVEMBER 12, 1941

VOLUME 2, NUMBER 45

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9-----	1,688,500
Navy and Marine Corps, Oct. 1-----	366,629
Nonagricultural workers, Sept.-----	*40,066,000
Percent increase since June 1940-----	13.1
18 defense industries, Sept.-----	*2,660,600
Percent increase since June 1940-----	64.8

FINANCE

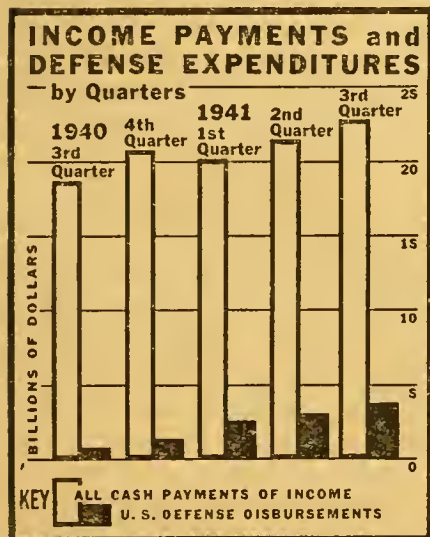
June 1940 to latest reporting date	(In millions of dollars)
Authorized program Oct. 31-----	*63,962
Contract awards Oct. 15-----	*39,263
Total disbursements Sept. 30-----	10,745

PRODUCTION

Paid on contracts, June 1940-	
September 30, 1941-----	\$8,464,000,000
Combat vessels in September-----	*6
Merchant ships, September-----	*9

Week ended November 1	Strikes	Workers
Significant defense strikes in progress during week-----	14	10,600
Number settled-----	4	3,700

*Preliminary.



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U.S. Dept. of Commerce
Nov. 12, 1941

Review of the Week in Defense

Development of a program for allocation of all critical materials throughout American industry was ordered last week by the Supply Priorities and Allocations Board and the Office of Production Management.

Furniture steel curtailed

Action to guide available steel into essential uses continued with a priority order curtailing by 40 percent the amount of the metal which may be used in a wide variety of office furnishings. Pending a study of the effects this order will have, Price Administrator Henderson asked manufacturers not to exceed November 6 prices.

SPAB voted final disapproval of priority ratings for the proposed National Defense petroleum pipe line, suggesting that the needs of the East might be met by other facilities including less expensive pipe lines.

A further step to save steel for essential uses was the request of OPA and the Division of Civilian Supply, that manufacturers eliminate steel cover lids from domestic cooking ranges. This step was also expected to reduce production costs and make it easier to hold down prices.

Meanwhile, leaders of the steel industry were to gather from all parts of the country November 11 for a day-long conference with defense officials.

Year-around household saving

The Bureau of Industrial Conservation called on manufacturers in every field to consider how they might save vital materials by reducing the number of varieties of their products, and to use the services of the Bureau's experienced consultants to that end. Bureau Chief Rosenwald revealed in a press conference that plans were being developed for a campaign in which householders would be asked to save various waste materials the year around for collection through regular channels of trade.

Also discussed in the conservation press conference were experiments on shell cases which, if successful, might eliminate 70 percent of the copper otherwise

needed for that purpose. It had been stated previously that shell cases were expected to consume a third of the copper supply for 1942 and that if the situation could be eased by substitution OPM hoped some copper products might be dropped from the forbidden list.

At the same time the restriction on copper sheet, strip and screen in building was relaxed until January 1 to permit the use of certain stocks already fabricated. Further essential services were added to those excepted from the regulations.

Copper stabilization begun

The first step in OPA's campaign to stabilize prices of all copper products was taken in a letter asking manufacturers of electric wire not to exceed October 15 figures.

Producers and miners of lead were asked by OPM to operate mining properties at maximum capacity, 24 hours a day, 6 or 7 days a week. OPA denied reports that the ceiling on lead would soon be raised, pointing out that the output could be increased by other means and that the recent increase in zinc prices was permitted partly to get more of both lead and zinc from the Rockies, where the ores are mined together. OPA published maximum prices for zinc alloys, adjusted to this rise in slab zinc prices.

Modification of railroad regulations to save 250,000 to 300,000 tons of paperboard a year in shipping containers was announced by OPM's Purchases Division.

Cobalt under allocation

Shortage of cobalt, a cutting-steel component which comes largely from Africa, forced the placing of this material under direct allocation. The Priorities Division also forbade the use of cellophane and similar products for gift wrappings and other civilian purposes to save a variety of vital chemicals. Users were given 60 days, under certain conditions, to exhaust stocks on hand.

Rains and the pooling of power made it possible to postpone, at least for a week, the 30 percent curtailment in the use

of electricity scheduled for November 10 in the Southeast.

Farm machine program extended

The Priorities Division extended existing regulations on heavy motor trucks, medium trucks and truck trailers until January 31 and on farm machinery and equipment to November 30. January passenger car maximums were formalized by Director Nelson. Cotton linters were put under additional priority control.

To supplement short supplies of antifreeze and industrial solvents, OPA gave one company permission to manufacture 3,950,791 gallons of alcohol from raw sugar for sale at prices above the ceiling.

OPA stabilized prices of domestic rugs and carpets; asked manufacturers of domestic stoves, and radios, not to raise their prices pending study; considered a wholesalers' ceiling on several grades of coarse paper; prepared to amend the carded cotton yarn and carded cotton goods schedules with respect to old contracts; and moved the effective date of the paperboard ceiling from October 1 to November 1.

3,000,000 women volunteers asked

The National Defense Mediation Board continued its consideration of the "captive" coal mine dispute, and in one other case announced an agreement.

The Office of Defense Health and Welfare Services created a Procurement and Assignment Service to coordinate the use of the Nation's medical, dental, and veterinary personnel.

As Civilian Defense Week swung into action, OCD Director LaGuardia called for 3,000,000 women volunteers.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

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SPAB, OPM order preparation to allocate all critical materials throughout industry

Preparation for the allocation of all critical materials throughout American industry was called for November 7 in parallel actions by the Supply Priorities and Allocations Board and the Office of Production Management.

Seek to assure essential supplies

In setting its sights for this all-out allocation program, SPAB laid down the principle that where feasible the allocation programs should be developed in such a way that minimum quantities of the needed materials would be assured to essential industries whose operations are curtailed.

I. SPAB announced that it had authorized its executive director to request OPM to obtain detailed production programs, industry by industry, for 1942.

It stipulated that these programs should contain ample information to indicate the month-by-month requirements of critical materials needed for the production of military, industrial, and civilian items, and essential public services.

It also directed that these programs should show similar requirements for repair parts and capital expenditures.

2. OPM issued an administrative order setting up the machinery by which the whole program of requirements is to be developed, outlined the manner in which the various industrial branches and other units of OPM are to work together toward this end, and instituted a new system of handling preference ratings in harmony with this program.

Will take time

It will, of course, take a good deal of time to get the entire program into effect. As it gradually emerges, however, the program will give greater certainty to American business and industry; and it will also mean that defense officials will have a clear, over-all picture of the Nation's total requirements for raw materials, SPAB having previously authorized its executive director to get detailed requirements statements for the Armed Services, the merchant ship program, and Lend-Lease.

In substance, the development of an allocation program will proceed roughly as follows:

An industrial branch in OPM takes the first step, calling on its several sections to develop requirements programs for each industry which manufactures the products for which the branch is responsible.

Each program is built up by the branch or by its section, through consultation with the Industry Advisory Committee involved and also through discussion with either or both of the Armed Services, depending on the nature of the product and the materials used in its manufacture.

When this has been done, the officers of the industrial branch who have the program in charge discuss the entire matter with the industrial branches which have jurisdiction over the materials or the products out of which the article in question is made. Agreement is reached between the branches as to the amount of material which can be allocated, etc.

Example cited

Or, as an example: a program for the manufacturers of plumbing equipment would be initiated in the plumbing and heating branch of the Division of Civilian Supply. It would be worked up in consultation with the industry, and cross-checked to see how the military requirements situation might affect it. Then, when it had been put in shape, it would be referred to the various raw materials groups—the iron and steel branch, the copper branch, etc.—for a final checking.

Thus, in effect, each program would originate with the group which is responsible for the end product, with the raw materials groups coming into the picture in an advisory and consultative capacity. Since all programs must of necessity be decreased or increased as armament production rises, each one will be framed so that it can be modified upward or downward in case of need. When a program has been drawn up, it will be reviewed carefully in order to cut down the use of critical materials to the greatest possible extent through simplification of lines, substitution, and so on. The OPM Bureau of Industrial Conservation will work with and through the industrial branches to accomplish this.

Synchronized with other programs

When the program drawn up along these lines has been agreed upon by the branches involved, it will be presented to the executive director of SPAB, in order that it may be properly synchronized with other programs.

It is then presented to SPAB.

After SPAB has passed on a program—either approving it, modifying it, or tak-

ing such other action as seems advisable—the program is referred to the OPM Priorities Division, which undertakes to make it effective and, where possible, to make sure that the needed quantities of goods will in fact be available, through the issuance of the required priorities ratings or through allocation of materials.

In order that current operations may dovetail properly into the whole broad project, OPM's administrative order devised a new routing system for the handling of PD-1 preference rating applications, effective December 1.

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National Defense Pipe Line priorities are denied

The Supply Priorities and Allocations Board ruled November 6 that priority ratings will not be issued for construction of the proposed National Defense Pipe Line.

On September 16 the Board ruled against priorities for the steel plate out of which it was originally proposed to build the line. It left open, however, the question of permitting construction of the line if extruded pipe were used; and accordingly, a revised application was submitted by the Petroleum Coordinator calling for the use of seamless steel tubing in place of pipe made from plates.

Ruled not essential

In its action November 6, which constitutes a final disapproval of the pipe line project, SPAB held that the value of the pipe line as a defense project was not great enough to justify the high priority ratings that would be necessary. Since defense needs are so great, SPAB ruled, large quantities of critical materials must not be devoted to any project, even if the project is wholly desirable in itself, that is not essential either to the defense program or to the public health and safety.

SPAB recognized the vital importance of assuring the eastern seaboard region an adequate supply of oil, but suggested that other means might be used.

A preliminary vote was taken on the pipe line application at SPAB's meeting on October 29. Final action was deferred, however, at the request of Leon Henderson, who asked for time in order that his own staff might complete studies of various phases of the project. These studies completed, Mr. Henderson concurred in the preliminary action, and the rejection of the application was made final.

PRIORITIES . . .

Steel for office furnishings curtailed to save at rate of 100,000 tons a year

A limitation order sharply curtailing the amount of steel that may be used in the manufacture of a wide variety of metal office furniture and equipment was issued November 7 by Priorities Director Nelson.

The monthly over-all cut during the period from September 1 to December 31, 1941, is approximately 40 percent below the monthly average of steel used in the 12 months ended June 30, 1941. Between 70 and 75 manufacturers are affected.

Use of steel by the industry will be measured by the tonnage contained in the final products. This will prevent use of large amounts of cut steel now in inventory.

If the program, drafted by the Division of Civilian Supply, were continued without revision for a year, it would release at least 100,000 tons of steel for vital national defense uses.

Less labor dislocation in this case

The industry is now consuming approximately 300,000 tons of steel a year. The amounts of labor and other resources used per ton of steel are very small, and it is felt that withdrawing a ton of steel from this industry will cause relatively less dislocation and displacement of labor than withdrawing a ton from other uses.

The Labor and Contract Distribution Divisions of OPM are conducting studies looking toward formulation of a program to alleviate labor dislocation. Wood could be substituted for steel in many items made by the industry.

Curtailments are based on essential uses to which products are put. A safe in which vital defense records may be kept is considered more important than a metal wastepaper basket.

Feasibility of wood substitution was also a factor in determining the distribution of the cuts. Use of steel in metal desks will be cut drastically because there already are a large number of wooden desks, and wooden desk production can be speedily expanded. Government needs and essential civilian needs, including defense, can easily be met by wooden desks.

Products affected by the order are divided into three groups. The first in-

cludes essential products in the manufacture of which wood is not a possible substitute; the second is intended to include products which fill certain essential needs but also some nonessential needs, and for which wooden substitutes are not now available; the third is intended to cover products in the manufacture of which wood is a ready and available substitute, and items which can be dispensed with during the emergency.

These groups are:

I. Insulated metal filing cabinets, safes, and metal visible record equipment.

II. Metal filing cabinets other than insulated filing cabinets, and metal lockers.

III. Metal office storage cabinets, metal desks, office chairs containing metal, metal office tables, including typewriter and office machine stands, metal bank vault equipment, metal shelving, metal office counters other than filing cabinets; movable metal partitions; doors, etc., for movable metal partitions, and other metal office equipment, including wastepaper baskets, metal trays, and wire baskets.

Manufacturers classified by quantity

Manufacturers are classified into three groups, as follows:

Class A. All manufacturers who used 12,000 or more tons of steel in the manufacture of metal office furniture and equipment during the 12 months ended June 30, 1941.

Class B. Those who used 3,000 to 12,000 tons.

Class C. Those who used less than 3,000 tons.

The following table shows the percentage of curtailment for the period September 1, through December 31 as distributed among manufacturers and product groups:

Class of manufacturers	Tonnage consumed—year ending June 30, 1941	Percent curtailment Sept.-Dec.		
		Product group I	Product group II	Product group III
Class A.....	12,000-up.....	30	45	60
Class B.....	3,000-up.....	20	35	50
Class C.....	0-3,000.....	10	25	40

A manufacturer of more than one of the products covered by the order may

exceed the tonnage ceiling on any one product, provided that the over-all is not exceeded.

May exceed limits for rated orders

Upon obtaining permission of the Director of Priorities, manufacturers may exceed the restrictions if they have defense orders or other orders bearing preference ratings which require more steel than allowed under the curtailment.

Monthly inventory reports must be submitted to the electrical appliances and consumers' durable goods branch of the Division of Civilian Supply.

More drastic cuts in the three product groups may be necessary later. If so, a gradual curtailment would be ordered so that manufacturers of wooden equipment could have time to expand their production.

Curtailment proposals were discussed at meetings with industry representatives, labor organization officials and other interested Government agencies.

Warnings given July 22, August 21

Manufacturers were warned of curtailment plans July 22 and August 21. It is assumed that they have been reducing consumption in anticipation of a limitation order, and therefore will not have to make up the entire curtailment in the remaining two months of the initial program.

The steel tonnage allowed under the program is a maximum figure. Because of the materials shortage situation, there is no guarantee that this maximum will be available.

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J. G. Robinson succeeds Roy Jackson as administrative officer

The Office of Production Management November 8 announced the appointment of James Gordon Robinson as administrative officer in the Office of Production Management, succeeding Roy Jackson, who resigned to enter private business.

Mr. Robinson, for the past 3 years director of Railroad Unemployment Insurance, Railroad Retirement Board, will be in charge of personnel, supply, budget and planning, office services, mail and correspondence.

Truck program extended so makers can order January steel now

Extension until January 31, 1942, of the orders which facilitate production of heavy motortrucks, medium trucks and truck trailers was announced November 6 by Priorities Director Nelson. The two orders extended are L-1-a and P-54.

Extension of the program does not change the basic provisions of the plan. It was undertaken so that manufacturers could place January orders for steel immediately.

The extension of order L-1-a means that during the period from September 1 to January 31, producers may manufacture five-sixths the number of medium motortrucks, truck trailers and passenger carriers produced during the first half year, except that trucks ordered for specific defense purposes as defined in the original order are not limited.

Heavy trucks not restricted

Production of heavy motortrucks which are carrying most of the national defense truck transportation burden, is not restricted.

The extension also means that manufacturers of replacement parts may produce during the September 1-January 31 period the same number of parts as were sold for replacement purposes during the first half year.

Limited Preference Rating Order P-54 assigns an A-3 rating to materials going into heavy motortrucks, medium motortrucks, truck trailers, passenger carriers, and replacement parts as specifically listed in the original order.

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Production of cotton linters further restricted by amendment

The production and distribution of cotton linters are subject to further restrictions in an amendment to General Preference Order M-12, issued November 5 by the Priorities Division.

The amendment specifically applies all of the terms of Priorities Regulation No. 1 to the order. One paragraph of the amended order stipulates that no deliveries of second-cut cotton linters may be made, save to plants engaged in the chemical industry in the United States, its territories and possessions, and the Philippine Islands, and restricts their use to the production of purified cotton linter pulp.

Other paragraphs redefine types.

Restrictions eased for use of copper sheet, strip, and screen in building

The restriction against the use of copper sheet, strip, and screen in building construction has been eased, it was announced November 3 by the Division of Priorities.

Due to go into effect November 1, the restriction would have "frozen" stocks of already fabricated materials in the hands of manufacturers, distributors, and consumers. Because of this, the restriction is revoked and copper sheet, strip, and screening may be manufactured at a reduced rate and used until January 1, 1942, after which their manufacture is prohibited under the general terms of Copper Conservation Order M-9-c.

A number of changes, largely for clarification, were made in the Order by a series of amendments announced November 3. They are:

1. Paragraph (b) which prohibits the use of copper sheet, strip, and screen in building construction after November 1 is revoked and these articles are placed on List A of the Order, which curtails their manufacture until January 1, 1942, and prohibits their manufacture thereafter.

Hospitals get help

2. The words "and hospitals" are added after "research laboratories" in subparagraph (5) of the general exceptions so that hospitals may use copper where physical and chemical actions make the use of other materials impractical.

3. A new subparagraph (8) is added to the general exceptions to the Order. It reads: "For use for repair or replacement purposes in plants employing chemical processes and in plants processing food where the existing installation is copper or copper alloy and where and to the extent that chemical action makes the use of any other material impractical."

4. Subparagraph (9) also is added to the exceptions, reading: "For insecticides and fungicides such as copper sulphates, oxides, and basic copper compounds." This exception specifically removes these insect-destroying compounds from the restrictions of the Order.

Alternative is restriction

5. Manufacturers of articles not on List A, were permitted to use substantially 70 percent of the copper used by them in the manufacture of each such article in a 1940 base period. Such a manufacturer is now permitted as an alternative to use "50 percent of the total amount of

copper or copper alloy respectively used by him in the manufacture of such article during the period between July 1 and September 30, 1941," plus the amount of copper necessary to manufacture articles under the exceptions. This will assist a defense industry which is operating at a higher rate than in 1940, but still requires drastic conservation in copper.

By the amendment, a manufacturer who holds a blanket preference rating order of A-2 or higher (as distinguished from a preference rating certificate) is relieved from the curtailment provision which applies to all articles not on List A—insofar as he is manufacturing articles within the provisions of the blanket preference rating.

The purpose of this change is to assist manufacturers of machine tools and other vital defense products to obtain the necessary amount of copper.

Inventory limit extended to scrap

6. The paragraph relating to the limitation of inventories is amended to include scrap.

Further amendments are changes in List A, which prohibits the use of copper in certain articles after January 1, 1942.

The prohibition on air conditioning equipment is amended as follows: "except for essential food storage and transportation and industrial processing where the use of other material is impractical."

"Screening and screens" are changed to "insect screens and screening."

Under the heading of plumbing and heating supplies, the phrase "convectors and local heaters" is changed to read "convectors, local and unit heaters (except heat controls)."

"Fixture fittings," etc., is changed to read "pipe, tube, tubing, and fittings therefor other than valves and faucets (except as provided in Defense Housing Critical List issued by the Director of Priorities September 12, 1941, and as the same may be amended)."

In the field of household appliances, heaters are changed to "portable heaters" and an exception is made for heat controls on stoves and ranges. Table flatware, washing tubs and washing boilers are added to the prohibited list.

Rings and swivels are added to the excepted list in fire hose.

Unions, except seats and valves over 2-inch size, and seats, discs, and stems also are added to the prohibited list.

Proof of need and details of construction required in utility preference applications

The Power and Communications Branch, OPM, released information November 4 to guide applicants for project preference ratings in the electric, gas, water, sanitation, central heating and telephone and telegraph fields.

Instructions to applicants call for complete details of proposed construction and proof of need of the project.

Detailed information required

A copy of the instructions follows:

The following information is required in the application for the granting of a project preference rating order covering projects in the electric, gas, water, sanitation, central heating, and telephone and telegraph communications, involving a number of separate contracts or suppliers.

1. Name of the operating company or agency.
2. The location of the project.
3. A clear, short statement of the scope of the project and its relation to any existing or proposed construction. A map showing the relation of the project to existing facilities is essential.
4. A comprehensive statement of the functional purpose of the project.
5. A statement with supporting data as to the relation of the project to national defense. A tabulation should be submitted showing volume, type and summary of major defense loads.
6. A statement of the urgency of need for the proposed construction, including estimates of existing and scheduled dependable capacities (and of reserve and net assured capacities in the case of electric utilities) and requirements for the next three years. In case of water and sewage treatment plants, the immediate need therefor shall be fully supported, preferably by summaries of analytic results and by a statement by the State Department of Health.
7. If interconnections with neighboring utility systems exist, or are possible, state the extent and capacity to which they are or could be utilized, and the extent to which they could make available to others any capacity of applicant's system. If interconnections exist and are not used, state why.
8. The latest practicable date of introduction of the project into commercial operation.
9. A statement of aggregate dollars cost of the project, and where applicable the remaining cost where the project is under construction, both exclusive of labor.
10. A schedule of the various larger elements entering into the project. For each element list the expected sources of procurement, the latest practical delivery date, the estimated dollars cost, exclusive of installation labor. The aggregate dollars involved in these items should approximate 80 percent of the total dollars involved in the project.
11. A careful estimate of the total and, where possible, the weight, of the critical materials involved in the entire project, such as copper, steel, cast iron, and aluminum.

Sworn statement necessary

The application should be a sworn statement by an executive officer of the applicant. All applications shall be sub-

mitted in the name of the operating company.

Applicant in cases of specific necessity, may ask at a later date for preference ratings on individual elements of the project higher than that assigned to the project, submitting such requests on form PD-1.

A project application is expected to cover all elements necessary to the effective use of the construction. For example, an application covering a transmission line should include switching equipment and transformers, and all appurtenances and accessories necessary to its use.

The application should be carefully prepared following the foregoing outline, and should include all pertinent information so as to present a complete and understandable picture of the project.

The application should be prepared on 8½" by 11" paper and bound in a suitable folder. The applicant should mail two copies of the application addressed to: J. A. Krug, chief, Power Branch, Office of Production Management, Social Security Building, Washington, D. C.

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Philippine utilities, mines, and industries can get priority aid

Public utilities and mining and industrial operations in the Philippine Islands are entitled to the priority assistance extended by three repair and maintenance orders, it was announced November 5 by the Priorities Division.

Preference Rating Orders P-22, P-46, and P-56, already in use in the Continental United States, are applicable in the Islands also, it was pointed out. The first order is a general one, extending the A-10 rating to the acquisition of repair and maintenance parts and operating supplies for many industries. The P-46 order assists public utilities. Preference Rating Order P-56 assigns a rating of A-8, to deliveries to mines of material essential for their maintenance and operation.

Another interpretation to Preference Rating Order P-22, also issued November 5, makes it clear that its restrictions, including those applying to inventories, are not applicable to those who have not applied the preference rating to deliveries of material to them.

Cobalt put under direct allocation

Because of a shortage and the uncertainty of shipments from abroad, cobalt on November 4 was placed under a direct allocations system to be administered by the Director of Priorities.

General Preference Order M-39 places domestic and imported ore and concentrates, cobalt metal, and cobalt chemical compounds, under mandatory control and restricts deliveries and acceptances of cobalt for metallic uses to specific authorizations by the Director of Priorities.

Monthly requests to be filed

The order provides that monthly requests for cobalt shall be filed on forms prescribed by the Division of Priorities. Monthly allocations of cobalt for metallic purposes will be made by the Director, and may be made without regard to previous preference ratings.

Deliveries of cobalt chemical compounds for nonmetallic uses by any processor or dealer are limited to 90 percent of the average monthly weight delivered by him for the first 6 months of 1941. A similar restriction is placed on the manufacture of those chemicals which are not convertible into cobalt metal. Termination date of the order is March 31, 1942.

Fifteen hundred of the 1,700 tons of cobalt now being produced annually in the United States come from ore imported from Africa. Domestic ore is limited to a small area in Pennsylvania where it is produced as an iron byproduct. Canada produces some cobalt, but all of it is being used for war purposes there and in England. Some low grade ore deposits exist in Canada and could be placed in production as an emergency supply for the United States.

Used in steel for cutting tools

Facilities to increase metal refining capacity by 50 percent now are under construction at Niagara Falls, N. Y., and are expected to be in production by the middle of next year.

Cobalt metal is used as an alloy for steel, largely in the production of high-speed cutting tools. Cobalt chemical compounds are used as a dryer for paint and as a binder for applying enamel to steel. Total estimated requirements for 1942 are approximately 400 tons more than current annual production in the United States.

Cellophane banned for gift wrappings, many other uses

A ban on many uses of cellophane and similar transparent materials derived from cellulose was ordered November 8 in the interest of national defense.

Gift wrappings, soda straws, cosmetics, soaps, and hardware are a few of the items affected by a limitation order issued by Donald M. Nelson, Director of Priorities. The order was drafted by the Division of Civilian Supply.

Large quantities of chlorine, phenol and glycerine, scarce chemicals vital to the defense program, are used in making cellophane and similar transparent materials.

The order is effective immediately, but permits suppliers and their customers to use up existing stocks under certain conditions. Thereafter, these transparent materials cannot be used to package or manufacture products in the following categories:

Many products affected

Razor blades, cosmetics and soaps, textiles, rubber and rubber products (except for use as a substitute for holland cloth in the backing of retreading stocks for tires), hardware, metals and sporting goods, paper and paper products, laundry, candles and wax products, electrical equipment (except its manufacture), and decorations and novelties, including molded paper hats, molded Christmas bells, molded flower-pot covers, bows and rosettes, flowers, wreaths and garlands, soda straws, ribbons, household rolls, and gift wrappings.

Users are given 60 days to exhaust stocks now on hand. Suppliers who have already prepared stocks for customers in such a way that they could not be used by persons unaffected by the order are allowed the same time.

Suppliers were ordered to notify their regular customers of the terms of the order. Failure to give notice, however, will not excuse any customer from compliance.

Further studies are being made by the Division of Civilian Supply with a view to extending the curtailment to the packaging or manufacturing of food and tobacco products. Substantial savings already have been made in elimination of scarce materials from the packaging of cigarettes. The thickness of the tin foil used as a wrapper has been halved, thus freeing for the defense program an estimated 16,000 tons of lead and more than 400 tons of tin a year.

30 percent power cut in South postponed as rains and pooling bring relief

The Office of Production Management announced November 7 the postponement for a week of the 30 percent power curtailment originally scheduled to go into effect November 10 in Georgia, Tennessee, Alabama, East Mississippi, Southeast South Carolina, and Northwest Florida.

It postponed indefinitely the 5 percent curtailment scheduled for the remainder of South Carolina and North Carolina.

Moderate to heavy rains, plus increased power deliveries into the shortage area through power pooling arrangements, have made the postponement possible.

Public helped situation

Immediate and willing cooperation by the public with the "blackout" provisions of the OPM order affecting non-essential lighting services also contributed to the improved situation. The "blackout" provisions, however, will continue in effect in the entire area, and the postponement applies only to the 30 percent and 5 percent curtailment which has been scheduled for industrial consumers.

May delay further

If the present improved situation continues it may be possible to postpone the curtailment for an additional week, to November 24, it was said.

Large commercial and industrial customers covered by the curtailment order are being asked to economize on their consumption of electricity.

Factors in postponement

J. A. Krug, who is administering the power limitation order, said the following favorable developments made postponement possible:

1. Power pooling arrangements perfected at a meeting at Charlotte, N. C., this week, pursuant to the original OPM order, will bring into the shortage area about 6 million kilowatt-hours per week more power than had previously been counted on.
2. Increased deliveries of power from Arkansas and Kentucky are bringing into the shortage area an additional two million kilowatt-hours of power.
3. Stream flows have improved from moderate to heavy rainfall. Rains have been general over the area during the past week and predictions are favorable for next week. OPM engineers estimated today that rains during the past week added 62,000,000 kilowatt-hours of power to the storage reservoirs in the area.

4. Immediate and complete cooperation of the public and the utility systems in complying with the so-called "blackout" provisions of the order and the effects of voluntary conservation of power by small consumers. OPM engineers estimate this week's saving at 3,000,000 kilowatt-hours.

"Some risk is involved in postponement," said Mr. Krug, "but the adverse effects of curtailment on industry and the hardships on employees justified the maximum gamble with the weather."

Still must use reservoirs

Despite the favorable developments that permitted postponement, drawdown of reservoirs, some of which are already unprecedently low, will have to continue. The power load or consumption in the area is greater than the amount of power produced from normal flow of the streams, plus power produced at all steam plants, plus power brought into the area through the pooling plan.

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Auto maximums for January formally set by order

Priorities Director Nelson issued an order November 7 formalizing the January passenger car production maximums established for the automobile industry. These production figures were announced October 15 after a meeting with the automotive defense industry advisory committee.

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Osterhout named executive officer of Civilian Supply

Appointment of Harold W. Osterhout of New York as executive officer of the Division of Civilian Supply was announced November 1 by Joseph L. Weiner, deputy director.

Mr. Osterhout is assistant vice president of the National City Bank of New York and has been in the bank's employ more than 20 years. For the past 15 years he has been in charge of matters pertaining to organization and personnel in the Brooklyn and Queens branches.

Mr. Osterhout was granted a leave of absence to take charge of the organization and personnel of the Division of Civilian Supply.

CONSERVATION . . .

Year-around household collection of scrap materials is planned by Bureau

The Bureau of Industrial Conservation intends to ask householders all over the United States to save various articles the year around for collection by junk dealers or through other "regular channels of trade," Lessing J. Rosenwald, chief of the bureau, said in a press conference November 4. Excerpts follow:

Mr. ROSENWALD: We have now organized our bureau into four main branches in trying to attack this problem from, you might say, all different directions. These four branches are salvage, specifications, substitution and conservation, and simplification.

In the Salvage Division, we are attempting to reclaim all articles needed which have already served their purpose once, and also to save scrap materials and to direct them back into remanufacture so that they can be used over again. Within that Salvage Division there are three different groups that we expect to reach. One of them is Government: there must be and no doubt is a vast amount of material which can be reclaimed and put back into remanufacture, but up to the present moment we have been unable to do anything very much in that particular regard. We expect to start that soon however.

Household drive carefully planned

The second is collecting scrap from the householder. You will remember that we had an aluminum campaign, waste paper campaign, and—in certain sections of the country—iron and steel campaigns. But under the plans which we have formulated, we have tried to outline the procedures carefully and as clearly as we could. We have been clearing with all other Government agencies to make sure that we are not conflicting with them. We are assuring ourselves that the campaigns that are now under way will be coordinated with what we are trying to do and we believe that there is very little likelihood of any conflict arising.

Dealers to collect several different articles

We expect to use the regular channels of trade for collecting this salvage to a large degree—you might say the junk dealers and materials dealers, distributors. It is our intention not to collect just one item as was done in the aluminum campaign but probably about

half a dozen different articles that the householder can easily collect at one time and arrange to have those properly kept, called for, distributed, and sent back to the manufacturer as easily and conveniently as possible.

Q. What are those articles?

A. There are some such things as waste paper, rubber, iron, and steel—all of the nonferrous metals, substantially copper and zinc and lead, cotton rags, woolen rags, things of that nature. Those will vary in different parts of the country. They will not be the same for all parts of the country but that is a detail that will have to be worked out where we have our regular campaigns.

Q. Mr. Rosenwald, just on that point, sir, will these be periodic collections?

Campaign on continuous basis

A. No, this is supposed to be on a continuous basis, month in and month out—not a one-shot campaign but all the time. And in that campaign we are not asking people necessarily to give the materials that they wish to dispose of. They may do so if they desire but also we have made arrangements so that those materials can be sold to these various dealers so that this campaign is presumably working out along that line. We expect to have a meeting tomorrow of the advisory committee of waste dealers and we will go over with them the plans that we have outlined to make sure that they are proper and then we intend to try it out in just some one specialized area—what we call a guinea pig stage.

Test coming very soon

Q. When is that likely to be, sir?

A. Very shortly now—I should say within the next week. The third part of the salvage—I told you one is Government and the other householder—the third is industrial salvage and we have worked out plans very carefully with that. An example of that is this: we had one of our men visit the various airplane manufacturers in an endeavor to get back the scrap aluminum that developed in those plants and just as an illustration of what can be done; Within one month our scrap increased from about 900,000 pounds, and in the month after the visit of this man the scrap increased to a million and a half pounds with very

slight increase in the production of airplanes in that particular month.

Q. Just in that one plant?

A. No; these were in the airplane plants combined.

Within the very near future we are going to try out this industrial salvage plan in two separated guinea pig areas. That also ought to start within the very near future. That covers the branch—that outlines salvage.

We next have what we call a Specifications Branch and we are dealing principally with Government emergency specifications so that these specifications can be, insofar as possible, tempered to fit the needs that arise today. That is, where there are shortages, we try and arrange these Government specifications, etc., so that they use less materials or they use materials where the materials are more plentiful. As an example of that, we have just gone over some defense housing, plumbing, and heating, and have made some very substantial decreases in the amount of piping in plumbing and heating specifications for those defense houses.

Approved buildings given "strip tease"

Also all projects that have received approval for new buildings, for example, are sent to this Division to get what we call here a "strip tease," i. e., we go over these projects and make sure that they are not using an inordinate amount of critical materials. Wherever critical materials can be eliminated, we do that. We are going over the new U. S. O. buildings that are being contemplated. We are working very close with the War Department on the new War Department buildings, and then there are certain private projects that have received approval such as a bank building in Atlanta, and other similar buildings, hospitals and so on, that we go over with the same thing in mind.

Q. Can't you extend that to private buildings such as certain private projects?

A. This applies particularly to Government work that I am talking of.

Q. I understood you to say there were certain private projects.

A. When I mentioned that, I didn't mean in the field of housing, but if a certain building has to be built such as this bank building in Atlanta for some specific reason and has received approval for that project—it may not be a Government building but nevertheless when it receives approval we get a chance to go

over it to eliminate the critical materials if we can without doing injury to the building.

Hope to change wasteful codes

Now, insofar as possible, when these emergency specifications apply to municipal or State governments, we expect to have those emergency specifications trickle down or rather work down through to the States and municipalities. And we are hopeful that in many instances by reason of the emergency at the present time, we can change at least with the emergency some of the building codes which happen to be very wasteful of some of our critical materials and we are going to endeavor to change those codes especially during the emergency. Also where those specifications apply to industry, we expect to bring those particular specifications to the attention of industry and get them to adopt them in all cases where they fit.

The third branch, Conservation and Substitution—

Q. Before we get off this salvage question, does this mean that in large part we will abandon the idea of having such campaigns as the aluminum drive and go into a regular private junk dealer collection system?

A. That is right in all probability. That is our intention. It will be a year-around campaign, if you want to call it a campaign, a year-around collection of materials that the householder usually has and which we need to get back to re-manufacture.

Trying out copper-plate shell cases

The third group, Conservation and Substitution, is trying to find substitutes for critical materials using less critical or noncritical materials to replace them. Cartridge shell cases are the number one problem at the moment because they use such vast quantities of copper.

Q. Mr. Rosenwald, what about the soft steel copper plating?

A. They have been making experiments here both in private industry and in Government. They have even had some firing tests on certain shells that have been developed, but the results I have not heard. There has been a large amount of work done on it and there is being done a great deal of work at the present time. Now I can't give you anything tangible because we haven't got anything tangible at the moment. But we hope that within a reasonable period of time, we will have either a partial or full solution to that particular problem.

Another illustration is the use of zinc-

Experienced consultants in simplification ready to help every industry conserve

The Bureau of Industrial Conservation of OPM on November 4 urged manufacturers in every field to consider how they might reduce the number of varieties or styles in their products. Such a simplification program is needed to save vital materials for national defense as well as for civilian supply, explained Lessing J. Rosenwald, Chief of the Bureau.

Proposals by each industry for simplification programs will be welcomed by the Bureau, which is also prepared to aid and advise each industry on the subject. In addition, industry advisory committees, already set up within OPM to deal with problems springing from the demands of the defense program, will be used to work out programs of simplification.

Industries are not expected to enforce such programs upon themselves, it was stated, but will be asked to follow recommendations issued by the Bureau.

Consultants ready and anxious to help

Representatives of industry will find in the Bureau technical consultants with long experience in simplification procedures who are fully prepared to go ahead and anxious to aid industry in every possible way. The National Bureau of Standards, which has been responsible in the past for technical assistance to industries seeking methods of applying simplified practice, has assigned Dr. Edwin W. Ely, Chief of its Division of Simplified Practice, to work with the OPM Conservation Bureau.

It is the task of the Bureau of Industrial Conservation to inaugurate and conduct a "war on waste", combining and expanding to a great degree all previous efforts aimed at conserving the Nation's resources.

Conservation may be achieved by a number of methods, but simplification is one of the most direct and important and holds great promise of being one of the easiest and quickest means for attaining its objectives. The possibilities for major savings inherent in a general widespread introduction of simplified practice throughout industry were recently stressed by Donald M. Nelson, Director of Priorities, when he estimated

that such a program would increase the productive capacity of the Nation for defense from 25 to 33 1/3 percent.

Simplification speeds turnover

Simplified practice methods in industry are not new. During the first World War and for more than 20 years Government agencies and industrial economists have advocated them and in some instances have applied simplification to the production of manufactured goods. It is the belief of the Bureau of Industrial Conservation that the present defense emergency with its current and impending scarcity of raw materials provides the impetus for application of simplified practices on a vast basis. This "preventive" route toward conservation should play a major role in avoiding shortages in both defense materials and essential consumers' goods.

In studying the possible benefits to be derived from a well planned and generally applied program of simplification, the Bureau has learned that in many instances a manufacturer or distributor may do as much as 80 percent of his business on 20 percent of the varieties of a specific commodity. The other four-fifths of the varieties, providing only one-fifth of the business, add to the expense of production and distribution, run up the inventory, slow down the turnover, tie up funds, and take up valuable space.

Results already achieved

Recent statistics gathered in connection with simplified practice methods already introduced and adhered to by the industries involved give ample indication of the vast possibilities for conservation. Application of simplified practice in the case of range boilers and expansion tanks, for instance, reduced the number of varieties from 130 to 13; in the manufacture of milk and cream bottles and bottle caps, from 49 to 4; ice cream mold sizes from 30 to 1; vitrified paving brick from 66 to 5; steel drums and barrels from 66 to 26; and large-tube cast iron radiators from 33 to 17 varieties. More than 175 other products have been substantially affected by the reduction in the number of varieties, in every case providing obvious savings to the manufacturer.

faced die castings in place of aluminum parts and where we can use those it is very good.

Q. If you find that this process that

you are working on for shell cases—if that proves satisfactory how much copper would that save in terms of percentage?

A. 70 percent.

MEDIATION BOARD . . .

Agreement reached in coke, gas dispute; hearings opened in two cases, two certified

The National Defense Mediation Board last week (November 2-9) continued its consideration of the captive coal mine dispute; announced an agreement in one case and said recommendations would be made in a second; opened hearings in two other cases; continued hearings in a fifth; announced the appointment of a special investigator in a sixth, and received certification of two new cases.

Captive coal mines

On Monday, November 3, 62 persons, the largest number ever to attend a Board hearing, appeared in connection with the captive mine dispute. The principals in attendance included Irving S. Olds, chairman of the board, and Benjamin Fairless, president of the United States Steel Corporation; Eugene Grace, president of the Bethlehem Steel Corporation; R. J. Wisor, president of the Republic Steel Co., and John L. Lewis, president of the United Mine Workers of America. For 2 days, the captive mine operators and the mine workers presented their cases for or against the union shop. On Wednesday, the hearings adjourned and the full Board went into executive session, meeting every day thereafter to consider the case. The Board will make its recommendations in the early part of this week.

Alabama By-Products and Sloss-Sheffield

On November 3, the Board announced that an agreement had been reached between the Alabama By-Products Co., Birmingham, Ala., and the United Mine Workers, District 50, CIO. The terms of the agreement, which is subject to union ratification, were not revealed. The dispute had been heard in conjunction with that of the Sloss-Sheffield Co., Birmingham, Ala., and the United Mine Workers, District 50, CIO, since in both cases the same union was involved and the issues were also the same—union security, wage increases, and one contract instead of two separate ones.

On November 5, the panel which had heard both cases—Frank Graham, Rolland Hamilton and Hugh Lyons—announced that the disputants in the Sloss-Sheffield controversy had returned home to await Board recommendations.

A strike at the Sloss-Sheffield plant and a threatened one at the Alabama By-Products plant had both been called off at the Board's request. The companies manufacture coke and by-products and supply gas to the Birmingham area as well as to various defense industries located there.

Federal Shipbuilding

Chairman Davis on Friday, November 7, announced that the names of several members of Local 16, Industrial Union of Marine and Shipbuilding Workers of America, CIO, at Kearny, N. J., who were no longer in good standing with the union had been transmitted to him by Admiral Harold G. Bowen, who is in charge of the Federal Shipbuilding and Drydock Co. After the Government occupied the Kearny plant, it put into effect the maintenance of membership clause recommended by the Board. The Secretary of the

Navy announced that all cases arising under that clause would be referred by Admiral Bowen to the Board for action.

The union charged that some of the men involved had failed to pay their dues for more than 3 months and others had engaged in acts inimical to the union's constitution.

Mr. Davis appointed Burton Zorn of New York City, former general counsel of the New York State Labor Relations Board, to investigate the charges and report his findings to the Board. Mr. Zorn will be in Kearny on Wednesday, November 12, to begin his investigation.

John A. Roebling Sons Co.

On Wednesday, November 5, hearings before a panel composed of George Stocking, John Connelly and Herbert Woods began in the dispute between the John A. Roebling Sons Co., Trenton, N. J., and the Brotherhood of Railroad Trainmen. At the request of the Board, the union had postponed a threatened strike over its demand for a closed shop and the application of standard railroad rules in the company's yard. The company has defense contracts for cables, steel and aircraft products and other defense material. After 3 days, the hearings were recessed to November 18.

American Engineering Co.

A panel of Francis W. H. Adams, Frederick Fales, and John Brophy began hearings on Thursday, November 6, on the dispute between the American Engineering Co., Philadelphia, Pa., and the Industrial Union of Marine and Shipbuilding Workers, CIO. At the Board's request, the union on October 22 called off a strike, involving 570 men, which had been in effect since September 27. The issues are grievances and bonuses. The hearings were recessed after 2 days and will be resumed November 10. The company has prime and subcontracts for steering gears, windlasses, anchors, and capstans for battleships.

Union Electric Co., York Corrugating Co.

The three men appointed to study the issues in dispute between the Union Electric Co., St. Louis, Mo., and the Tri-State Utility Workers Union (Independent) notified the Board last week that a settlement had been reached. The men appointed were A. S. Langsdorf, dean of the Engineering School of Washington University, St. Louis; Wade Childress, of the Columbus Terminal Co., St. Louis, and Frank H. Wilson of the Brotherhood of Railway Trainmen, Minneapolis. The issues were wage increases and the adjustment of wage differentials.

Also last week the Board received word that the York Corrugating Co., York, Pa., and the International Association of Machinists, AFL, had reached an agreement and that the case was closed, thus ending the necessity for hearings before the Board. A strike since October 9 was ended by this agreement on November 6. The dispute was over wages, closed shop and differential for night work.

International Harvester Co.

Hearings were resumed last week on the dispute between the International Harvester Co., Springfield, Ohio, and the United Auto-

mobile Workers of America, CIO, and will be continued on November 10.

New cases

The two new cases certified to the Board last week were: American Can Company, Chicago, Ill., and the Steel Workers Organizing Committee, CIO; Nevada Consolidated Copper Corporation, Ely, Nev., and the Brotherhood of Locomotive Engineers, Division 596.

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Steel industry leaders meet defense officials

Leaders of the steel industry from all parts of the country were to meet in Washington, November 11, for a day-long conference with national defense officials.

All of the 225 steel mills in the country were expected to be represented at the meeting in the U. S. Chamber of Commerce auditorium.

The gathering was sponsored by the iron and steel branch, Office of Production Management, to acquaint the entire steel industry with the problems and purposes of national defense as it pertains to steel; what is expected of them; what the general steel program will be for 1942, and to get from them their ideas as to how these needs can best be met.

Armistice Day was chosen for the meeting, according to A. D. Whiteside, branch chief, who was to preside, because it opens National Defense Week and steel is the leading defense material.

Broad aspects of the steel situation were to feature the morning session, with addresses by Jesse Jones, Wm. S. Knudsen, Admiral Emory S. Land, Donald M. Nelson, J. V. Forrestal, John J. McCloy, W. L. Batt, Leon Henderson, and E. R. Stettinius, Jr.

The afternoon meeting was to be devoted to detailed reports on various phases of steel by section chiefs of the iron and steel branch, and discussion by visiting steel men.

The need for some such informative gathering was felt for some time, according to Mr. Whiteside, because no other means exist for presenting a rounded picture of the defense steel program to all units of the industry.

Advisory committee meetings reach only a few, and orders and other communications do not always reveal the reasons and the basic policy going into them.

LABOR . . .

Hillman invites heads of AFL metal trades unions to confer on welders' disputes

OPM Associate Director General Sidney Hillman last week sent the following telegram to the international presidents of nine American Federation of Labor metal trades unions, and a similar telegram to John P. Frey, president, AFL Metal Trades Department:

"In the interests of national defense it is urgent that the disputes which culminated in the recent welders strike be fully considered and resolved as speedily and as satisfactorily as possible so as to avoid similar work stoppages in the future. I am therefore inviting you and the presidents of other metal working unions of the American Federation of Labor designated by John P. Frey, president of the Metal Trades Department, to confer with me on this problem.

Welders represented

"Representatives of the welders groups that participated in the recent strike are likewise being invited.

"The conference will convene at the Office of Production Management at 10 a. m. November 17, and will remain in session, I expect, until a satisfactory solution is found. Will you kindly wire me whether you or a representative duly authorized to speak for your organization will attend this conference."

The AFL international union presidents invited were:

International Brotherhood of Blacksmiths, Chicago, Ill., Roy Horn, president; International Brotherhood of Boiler-makers, Iron Shipbuilders and Helpers of America, Kansas City, Kans., J. A. Franklin, president; International Brotherhood of Electrical Workers, Washington, D. C., Ed. J. Brown, president; International Union of Operating Engineers, Washington, D. C., Wm. E. Maloney, president; International Association Bridge, Structural and Ornamental Iron Workers, St. Louis, Mo., P. J. Morrin, president; International Association of Machinists, Washington, D. C., Harvey W. Brown, president; International Molders & Foundry Workers, Cincinnati, Ohio, Harry Stevenson, president; United Association Plumbers & Steamfitters, Washington, D. C., George Masterton, president; Sheet Metal Workers International Association, Washington, D. C., Robert Byron, president.

Earlier Mr. Hillman announced that a committee representing a group of unions of welders and cutters had agreed to call upon their members on strike on the West Coast and in Alabama, and sympathetic strikers, to return to work immediately. The committee was headed by Karl V. Morris, president of the United Welders, Cutters and Helpers of America.

Mr. Hillman informed the welders' representatives that all strikers returning to work immediately would be promptly reinstated in their former jobs or positions without discrimination or interference; that the Office of Production Management would protect the workers in this right; and that all parties would be called on to refrain from any intimidation or coercion against these workers pending the holding of the conference and its outcome. The return to work was accomplished within 3 days.

Steps to end minority discrimination in defense work described in pamphlet

How President Roosevelt and the Office of Production Management are seeking to secure full participation of all American minority groups in the national defense program is explained in a 19-page pamphlet, **MINORITIES IN DEFENSE**, released October 29 by the Labor Division of OPM.

The pamphlet outlines steps taken since July 12, 1940, to end defense discrimination, and describes the functions and duties of the President's Committee on Fair Employment Practice, the Negro employment and training branch, and the minority groups branch of the Labor Division of OPM.

According to the pamphlet, the Committee on Fair Employment Practice receives all complaints of defense discrimination and investigates them through the field staffs of the Negro employment and training and the minority groups branches of OPM. If neither branch is able to adjust a complaint, the case is then certified to the COFEP for further action and redress.

Other functions

In addition to serving as a Board of Appeals to the two OPM branches, the committee (1) deals with the problem of discrimination in Government service; (2) maintains contact with contracting agencies of the Government concerning enforcement of nondiscrimination clauses in defense contracts; (3) establishes contact with State and local agencies on discrimination in employment and coordinates their programs; and (4) maintains contacts with minor-

ities organizations and with other organizations and key individuals.

The Negro employment and training branch, whose chief and staff members serve on Federal and regional labor supply committees in nine cities, broadens job opportunities for colored workers through (1) systematic visits to industrial employers; (2) regular surveys of training facilities; and (3) constant contact with the Bureau of Employment Security and local offices of the United States Employment Service to secure the placement of Negro workers through approved governmental agencies.

Similarly, the chief and staff members of the minority groups branch, which is concerned with the problems of all racial minority groups (including the physically handicapped) other than Negroes, serve on Federal and regional labor supply committees and seek the integration of members of these groups into the defense effort.

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Elmer W. Henderson named employment field representative

Mark F. Ethridge, chairman of the President's Committee on Fair Employment Practice, announced November 6 the appointment of Elmer W. Henderson, of Baltimore, Md., former research director for the Illinois State Commission on the Condition of the Urban Colored Population, as a field representative to investigate complaints of discriminatory employment practices by defense industries against minority groups.

PRICE ADMINISTRATION . . .

Electric wire makers asked to limit prices, in first copper stabilizing move

Manufacturers of copper wire and cable used to conduct electricity have been requested not to exceed their October 15 prices, in a letter sent to them by OPA Administrator Henderson.

This represents the first of a series of steps in Mr. Henderson's recently announced program to stabilize prices of all products made of copper, brass, or other copper-base alloys. The program is made necessary by the serious copper shortage caused by heavy defense demands and by the OPM conservation order of October 21 sharply restricting use of copper for many products.

The Administrator's letter draws attention to the fact that the OPM conservation order excludes from its restrictions the use of copper and copper-base alloys in articles primarily em-

ployed as conductors of electricity, and adds: "We would hope . . . that the restriction of civilian demand and the assurance of copper supplies for your industry may bring about a situation that will permit of somewhat lower prices."

Many types up 20 percent

In this connection, conferences with representative members of the copper wire and cable industry will be called by OPA in the near future to discuss recent trends in costs and prices. Many types of copper wire and cable currently are selling from 20 percent to 30 percent above 1939 levels.

Manufacturers are asked in the letter to inform OPA of all changes in prices or terms of sale since January 1, 1940.

Ceilings considered on coarse paper as result of inflationary mark-ups

Consideration is being given by the Office of Price Administration to imposition of a price schedule establishing maximum prices that jobbers and wholesalers can charge for several grades of coarse paper, Administrator Henderson announced November 1.

A meeting with a representative group of jobbers will be called within a few days to discuss the need for a schedule. Should a schedule be found necessary, it will be rushed to completion as rapidly as possible in order to bring under control the inflationary situation which has developed recently.

Take steps to stop profiteering

In discussing the situation which has developed, Mr. Henderson pointed out that manufacturers are now selling kraft paper to jobbers at around 4½ cents a pound. Ordinarily the jobbers would resell this paper at prices ranging from about 5 or 5¼ cents in large quantities to somewhat higher prices for smaller quantities.

Actually, jobbers in recent weeks have increased their prices to as high as 8 or 9 cents a pound for large quantities and even higher for small quantities.

"Such increases above the usual job-

bers' mark-up are pure extortion and profiteering," Mr. Henderson stated. "We propose to take all steps necessary to correct this situation. In the meantime we urge all buyers from jobbers and wholesalers to refuse to pay prices above those which normally prevail when the manufacturer's price is at the 4½-cent level."

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Over-ceiling linters sale, due to misunderstanding, corrected

A small sale of chemical grade cotton linters at 1.65 cents a pound above the 3.35-cent price which the Office of Price Administration approved last August has been cancelled and rebilled at the 3.35-cent level, Leon Henderson, OPA Administrator, announced November 5.

The transaction resulted from a misunderstanding on the part of the seller, and adjustment was made promptly when the seller's attention was called to the matter.

Chemical grade cotton linters, which are essential to the manufacture of rayon and smokeless powder, already are subject to OPM priority control.

Radio and stove manufacturers asked not to raise prices pending cost study

Manufacturers of two important types of durable consumers goods—domestic cooking and heating stoves and radios—have been asked not to raise prices above those recently prevailing, in telegrams sent to them by OPA Administrator Henderson.

The action was taken in both cases in order to hold prices firm pending determination of the effect on costs in these industries of curtailment of output due to the defense program.

Long-range price programs are being formulated by the Office of Price Administration in connection with both these industries and meetings will be held with representatives of each group in the near future to work out details.

The domestic cooking- and heating-stove manufacturers were asked not to increase prices above the level prevailing on October 24, 1941 while the manufacturers of radio receiving sets, radio phonograph combinations, radio parts, and radio phonograph parts were asked not to raise prices above the October 15, 1941 level.

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Manufacturers of glass-making and printing machinery will be asked not to raise prices now

Manufacturers of glass-making machinery and of printing presses and other printing machinery will be asked shortly by the Office of Price Administration not to advance prices above the July 29, 1941, level, OPA Administrator Henderson stated November 6.

Meetings have already been held with manufacturers in each of these industries to discuss recent price trends and methods of achieving price stability in their respective fields.

The requests to be sent to companies in these industries will be interim measures designed to hold prices steady pending more detailed study. Similar requests have already been made to manufacturers of agricultural machinery, machine tools, mining, and oil field equipment, and machinery for the chemical process, food and drug industries.

Lead producers and miners urged to work 24-hour day, 6 or 7 days a week

The following telegram was sent jointly by Director General Knudsen and Associate Director General Hillman, OPM, to all producers of lead and to all lead miners in the United States:

"The urgency of the defense program requires that your mining properties be operated at their maximum productive capacity, 24 hours a day, 6 days a week and where possible, 7. You are requested to take all necessary steps to this end and if necessary acquire such additional equipment to improve the operating conditions of the mines that will result in increased production. Please advise us if we can be of any assistance."

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OPA denies plan to allow increase in lead price

Widespread reports that the Office of Price Administration soon would approve an advance in the price of lead brought from Administrator Henderson a statement November 5 that in the opinion of his office present prices of 5.85 cents a pound, New York, and 5.70 cents a pound, St. Louis, are adequate to support a substantial increase in output.

"Evidence accumulated by OPA clearly indicates that a large part of the mining industry is in a position to increase its output at the present price of lead," Mr. Henderson said. "The bulk of the industry is not operating at anything like full capacity. Lead output can be increased quickly by various methods."

Zinc rise was permitted

The administrator also emphasized the fact that an increase in lead output will automatically increase the production of zinc, since the ores of these two metals are mined together in the Rocky Mountain area. The recent increase of 1 cent per pound in the price of zinc was permitted partly to facilitate increased output of both zinc and lead in the Rocky Mountain region.

One serious effect of the lead price increase reports has been to stimulate speculative hoarding of lead scrap. Unless this situation is corrected promptly, Mr. Henderson stated, it may become necessary to impose controls over the flow of secondary lead and scrap at proper prices.

OPA approves 3,950,791 gallons of alcohol from sugar for above-ceiling sale

In order to supplement short supplies of anti-freeze and industrial solvents during the coming winter, OPA has granted special permission to Publicker Commercial Alcohol Co., of Philadelphia, to produce from raw sugar nearly 4,000,000 gallons of high-cost ethyl alcohol for sale at prices above the established maximums, Administrator Henderson announced November 7.

Publicker is one of the leading producers of ethyl alcohol in the United States and the only big producer that is not already operating at capacity. According to Government estimates, the country needs all the ethyl alcohol that can be obtained from every available source.

Will increase total supply 10 percent

As a result of the OPA exception, Publicker may produce during October, November, and December, 3,950,791 gallons of ethyl alcohol above its existing contract commitments in the final quarter. This will be entirely "new production" and will increase total supplies of ethyl alcohol available for all uses over the winter months by about 10 percent.

About 75 percent of all industrial ethyl alcohol produced in the United States is made from blackstrap molasses, a by-product of cane sugar mill operations. Little, if any, blackstrap molasses from the 1940-41 sugar crop remains unsold and new supplies will not become available until early in 1942. Hence, in order to increase its alcohol output for the

final quarter of 1941, Publicker will be compelled to use sugar, a more expensive raw material.

The difference between the ceiling prices and the prices approved by OPA in the Publicker case will cover only the increased costs involved in using raw sugar purchased on current markets.

Price tied to sugar cost

Publicker is allowed by the OPA exception to sell this "excess production" at a maximum price of 49½ cents a gallon in tank car lots for the basic formula (known as SD2B) when made from sugar purchased at \$2.30 per 100 pounds f. o. b. Cuba. For each increase or decrease of 10 cents per 100 pounds in the sugar price, an adjustment of 1½ cents a gallon may be made in the alcohol price. Price Schedule No. 28 established a maximum price of 24½ cents a gallon, tank cars, for the basic formula.

Prices that Publicker may charge for other formulae and quantities of ethyl alcohol produced under the exception will be determined by applying the differentials established in the price schedule. Sales of proprietary name solvent ethyl alcohol may be made under the exception only directly to consumers thereof.

The exception applies only to ethyl alcohol produced prior to December 31, 1941. Publicker is required to report monthly to OPA, giving complete details of production of ethyl alcohol and specific details of all alcohol sales made under the exception.

Maximum zinc alloy prices listed pending formal ceiling

A list of maximum prices for zinc alloys, which the Office of Price Administration has prepared in the light of the recent 1 cent a pound increase in the price of slab zinc, was made public November 2 by Administrator Henderson. A formal price ceiling schedule will be issued in the near future.

At the same time Mr. Henderson announced that maximum prices on rolled zinc products, including sheet, strip, and plates, will be issued by OPA as soon as investigations now under way as to costs and earnings are completed.

The new prices on zinc alloys take into consideration the customary differ-

entials between alloy and slab zinc. The new prices are considered adequate to assure present levels of production.

Zinc alloys are used extensively in die-castings and molds and play an essential part in the production of planes, tanks, and many other defense and civilian articles. The OPA-approved prices, applying to alloys made from high-grade zinc, are 11½ cents a pound for carload lots (i. e., any shipment taking a carload rate), 11¾ cents a pound for lots from 5 tons to a carload, and 12 cents a pound for less than 5-ton lots. These are delivered prices.

Ceiling prices on rolled zinc products will in all probability be lower than prices announced by certain companies following the recent advance in primary zinc prices.

Miss Elliott calls on Nation's consumers to sign pledge in campaign against waste



**The
CONSUMER'S PLEDGE
FOR TOTAL DEFENSE**

As a consumer, in the total defense of democracy, I will do my part to make my home, my community, my country ready, efficient, and strong.

*I will buy carefully
I will take good care of the things I have
I will waste nothing*

Signature

When you sign this pledge, you are joining the ranks of the millions of consumers cooperating in National Defense. Will you please sign it and send it to:

HARRIET ELLIOTT, CONSUMER DIVISION, OFFICE OF PRICE ADMINISTRATION
Washington, D. C.

16-24354-1 GPO

THE CONSUMER'S PLEDGE . . . Americans the country over will begin signing November 12. Mats are available to newspapers and other publications on request to Distribution Section, Division of Information, OEM, Washington, D. C.

"I will waste nothing." That is the final line and the substance of the Consumers' Pledge for Total Defense which consumers all over the country will be signing beginning Wednesday, November 12, as an indication of their desire to enlist their homes in the defense program by conserving everything they use.

Launched on War Against Waste Day of this week, which is Civilian Defense Week throughout the Nation, the pledge campaign is being conducted under the direction of Miss Harriet Elliott, associate administrator of the Office of Price Administration, in charge of the Consumer Division.

Build defense by guarding resources

In calling on the Nation's consumers to enlist in the campaign against waste, Miss Elliott said: "The food we eat, the clothes we wear, the things we buy, the things we use, the dollars we spend, the pennies we save—all these are as much a part of defense as guns, tanks, and airplanes. Each one of America's 132 million consumers holds it in his power to build defense by guarding these resources.

"Each time we go shopping we are buying more than just a pair of shoes, a loaf of bread, or a bar of soap. We are buying the services of factories, rail-

roads, men, and materials. Consumers therefore have a major role in the conservation of our economic strength."

The first consumer to sign the pledge was Mrs. Eleanor Roosevelt, wife of the President of the United States and assistant director in charge of Volunteer Participation in the Office of Civilian Defense. Mrs. Henrietta Nesbitt, housekeeper of the White House, was the second signer.

Every home in the Nation will be given the opportunity to join the War Against Waste. Retailers, newspapers, schools, civic organizations, and the Boy Scouts of America are already assisting in making copies of the pledge available to consumers. Copies of the pledge will also be distributed through labor unions, church groups, women's clubs, and stores in the weeks to come. Further details of the campaign will be announced as the program develops.

Appeal for full cooperation

In an appeal for full consumer cooperation in the defense conservation effort, broadcast on War Against Waste Day, Miss Elliott said:

"Everything you do touches on conservation and defense. Take your kitchen, for instance. Food builds the muscle and health of your family. Food builds the strength of the nation. We can't afford to waste it. Buy it

wisely. Cook it carefully. Stop and think before you throw away even a tablespoonful of left-over potatoes.

"Your saucepan is made of aluminum that is now needed for airplanes. You won't be able to get another made of aluminum so you've got to take good care of the one you have.

"Your refrigerator has steel and copper in it that are needed for tanks and ships. It runs on electric power that is vital to defense. If you have a refrigerator, clean and defrost it regularly. Keep it in good repair. Make it last as long as possible.

"Let's go out to the garage. You're lucky, and you have a car out there. If you've joined the fight against waste, you're driving that car at moderate speeds to save gas, oil, and rubber tires.

"Now, how about the clothes you wear. By taking better care of your clothes, you won't have to strain your budget. You won't be putting in new and unnecessary demands on our textile mills and clothing factories.

Need for self-discipline

"Even when you go shopping, you can join in the War Against Waste. By accepting substitutes for materials that are scarce—like rayon instead of silk. By not buying things you don't really need. By wise buying.

"It may not be easy to do away with all our wasteful habits at home and in our daily shopping. But in times like these the fight for freedom calls for self-discipline even in our smallest acts. By signing the Consumers' Pledge For Total Defense, each of us can take the first step in that self-discipline."

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Prices of domestic rugs, carpets stabilized till December 15

Prices of domestic rugs and carpets have been stabilized for the time being by a series of individual agreements reached between the Office of Price Administration and floor-covering manufacturers, Administrator Henderson announced November 8.

Under the agreements, the makers of wool surface, cotton and novelty, and fiber floor coverings will maintain until December 15 the prices they quoted on October 13. During the period the agreements are in effect, OPA will proceed with its plans to develop a longer-range price stabilization program for the industry.

News for Retailers

Consumers Durable Goods

The Office of Price Administration moved several steps further into the field of consumer durable goods during the past fortnight. When the OPA's copper curtailment order was announced two weeks ago Mr. Henderson disclosed that his office was developing a comprehensive program to stabilize prices of all products made of copper, brass, or other copper-base alloys.

Ceiling prices would be established if necessary, the OPA Administrator said, over all durable goods made largely of copper. Such items as radios, stoves, cooking and table utensils, plated flatware, fire extinguishers, and certain automobile and truck parts were listed in this category.

This initial announcement was followed November 6 by disclosure that manufacturers of radio receiving sets, radiophonograph combinations, radio parts and radiophonograph parts had been requested not to advance their prices beyond the October 15 level. At the same time, manufacturers of domestic cooking and heating stoves were asked to adhere to prices quoted by them on October 24.

On November 8, OPA announced that

makers of rugs and carpets had entered into voluntary agreements to adhere to their October 13 prices until December 15. Manufacturers of carpets and rugs made of wool, cotton and fiber, as well as so-called "novelty" fabrics, were parties to the individual understandings. Before December 15, OPA plans to work out a longer-range price program for these producers.

The OPA order drastically curtailing the production of all kinds of metal office furniture and equipment was followed swiftly by a telegram from Mr. Henderson to more than 100 manufacturers of these products asking that their prices be held to the levels of November 6. Development of a price program for this industry also would be undertaken, it was stated.

All of these actions are designed to keep manufacturers' prices stabilized in the face of reduced output. Time thus is afforded the Office of Price Administration to determine the effect of the enforced curtailments on costs of the various producers. If manufacturers' prices can be kept from rising further, either by voluntary agreements or direct action by OPA, the pressure for price increases in the retail field will be alleviated considerably, with resultant benefit to the buying public.

Effective date of paperboard schedule 32 postponed to Nov. 1, filing to Dec. 10

Effective date of Price Schedule No. 32, paperboard sold east of the Rocky Mountains, is changed to November 1, 1941, and the date for filing of initial "affirmations of compliance" is delayed until December 10, 1941, by an amendment announced November 7 by OPA Administrator Henderson.

As originally issued, the schedule became effective on October 1 and buyers and sellers of paperboard were required to file affirmations of compliance by November 10 and monthly thereafter.

The postponement was decided upon because the schedule as originally issued failed to provide specific maximum prices for the so-called "specialty grades" of paperboard, although such were covered by the general provisions of the schedule.

Furthermore, a number of paperboard buyers have complained of hardship be-

cause their plants are located at points distant from sources of supply and until recently have depended upon water transportation to obtain their paperboard. The shortage of shipping has compelled many of these buyers, including some who are working on important defense orders, to change over to rail transportation, which is more expensive.

Prior to December 10, Mr. Henderson stated, Price Schedule No. 32 will be amended to deal with these matters. An additional appendix will be added establishing maximum prices for the highly specialized grades of paperboard used in a wide range of products and by many industries. Some of these specialty boards sell for hundreds of dollars a ton. The appendix will impose maximum prices in this field at levels that prevailed on a date prior to August 1, 1941.

Jobber's allowance on waste paper payable only by consumer

Payment of jobber's allowances under the recent amendment to Price Schedule No. 30, waste paper sold east of the Rocky Mountains, by any person other than a consumer of waste paper is a violation of the schedule and will result in action by the Office of Price Administration, Administrator Henderson announced November 7.

Paper dealers or packers who, although separate business entities, are wholly owned subsidiaries of consumers, do not fall within the definition established for consumers in Price Schedule No. 30, Mr. Henderson stated. Jobber allowances, therefore, may not be paid by such wholly owned subsidiaries to waste paper dealers and packers.

OPA also will proceed against jobbers who compute their allowances on a price to which has been added loading or transportation charges, the Administrator said.

The "jobber's allowance" provisions of the schedule are clear and specific, Mr. Henderson stated. Such allowances may only be paid by consumers of waste paper, and must be calculated upon the actual price paid to the packer for the waste paper, excluding any transportation or loading charges paid by the consumer. Reports have been received by OPA that certain jobbers and dealers are charging allowances to other jobbers and dealers. In some instances jobbers are said to be figuring allowances on a price which includes loading and transportation charges.

"We are looking into these reports," the administrator said. "If they are found to have substance, we shall act against the violators and enforce the schedule strictly."

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Renard appointed acting chief, printing and publishing branch

Appointment of George A. Renard of New York as acting chief of the printing and publishing branch of the Division of Civilian Supply was announced November 6 by Joseph L. Weiner, deputy director.

Mr. Renard is executive secretary of the National Association of Purchasing Agents, having been connected with that organization since 1928.

Carded yarn and goods under contract before July 21 to be keyed to 15.99-cent cotton

Price Schedules No. 33 (Carded Cotton Yarn) and No. 35 (Carded Grey and Colored-yarn Cotton Goods) will be amended in the near future to revise the provisions pertaining to maximum prices for deliveries pursuant to contracts made prior to the effective dates of these schedules, OPA Administrator Henderson announced November 7.

The proposed amendments will allow deliveries under contracts made before July 21 to be carried out at maximum prices corresponding to a "spot cotton price" of 15.99 cents per pound.

Was keyed to spot cotton

Both price schedules established maximum prices on a sliding scale keyed to the price of spot cotton. Carded yarns, as well as numerous types of carded-yarn grey goods covered by Schedule No. 35, had not previously been subject to maximum prices. In applying the sliding scale formula to the yarns and to these types of fabrics, the schedules provided that deliveries pursuant to pre-schedule contracts should be carried out at not more than the applicable schedule price correlated to the spot cotton price of the day preceding that on which the contract of sale was made. Consequently, where a seller had unfilled bookings dating back to the early spring, the schedule required him to adjust his delivery prices to the spot cotton prices prevailing at that time, which were considerably lower than the current levels.

Same as combed yarns, grey goods

Behind the proposed amendment is the desire of OPA to place yarns and textiles newly covered by maximum prices on the same footing as combed yarns and grey goods previously subjected to maximum prices under Price Schedules No. 7 and 11. In these cases, maximum prices were established at fixed figures rather than on a sliding scale. Hence, no write-down of contract prices was required beyond the established ceilings. Those maximum prices, as revised on July 21, took account of the 15.99-cent spot cotton price prevailing on July 19.

The change to be made in Schedules 33 and 35 is thus designed to accord the same treatment to carded yarn and to drills, twills, denims, coverts, and other cotton fabrics subjected to maximum prices for the first time in these schedules.

No revision will be made of the present

provisions of the schedules insofar as they apply to deliveries under contracts made on or after July 21. Such deliveries will be governed, as before, by the cotton spot price of the day preceding that on which the contract was made, regardless of whether it was below 15.99 cents.

The amendments, which are expected to be issued this week, will be retroactive to the dates when the schedules became effective.

OPA moves to block further price advances in petroleum products

Moving to meet a succession of price advances in many sectors of the oil industry, the Office of Price Administration took steps November 7 to formalize its relations with companies in the industry by requesting crude producers, refiners, and marketers to refrain from making further advances.

Action was taken through telegrams sent by Leon Henderson, administrator, to all principal producers and purchasers of crude oil, and through letters sent to larger marketers of refined products.

The telegrams asked producers and purchasers of crude oil to make no increases in the purchase price over the prices prevailing as of October 1, 1941.

Notice and approval required

The letter to marketers asked that they make no price advances in petroleum or petroleum products without prior notice and approval by OPA. Price increases which must be submitted for approval include contract or spot prices of petroleum and all petroleum products, including refinery, tank car, tank wagon, barge, retail service station and other prices quoted by the individual companies. These would include gasoline, kerosene, burner oil, heavy fuel oil, lubricating oil, and other petroleum products.

The action of November 7 followed dispatch of telegrams on November 5 to heads of Consolidated Oil Corporation, Texas Co., and Standard Oil Co. (Indiana) asking them to meet in Washington on November 10 to discuss advances in crude oil prices posted by subsidiaries in North Texas oil fields. Telegrams had also been sent November 5 to 22 independent Gulf Coast refiners asking them to observe the OPA-approved cargo price

Discontinuance of steel cover lids on cooking ranges asked

Manufacturers have been asked to eliminate steel cover lids from domestic cooking ranges by December 15, 1941, the Office of Price Administration and the Division of Civilian Supply, OPM, announced November 9.

These tops, usually finished in baked enamel, are used on many gas, electric, kerosene, and gasoline stoves to cover the cooking surface when the stove is not in use.

of 6½¢ a gallon for 80 octane gasoline.

The telegrams and letters sent out November 7 in effect extended to the whole country the move by OPA to block further advances in prices.

Other recent advances in prices of crude oil or refined products leading up to the action include an increase of 10 cents a barrel for Montana crude oil, an advance from \$1.35 to \$1.55 a barrel for bunker "C" fuel oil in the New York spot market, and other minor but frequent increases in tank car prices for gasoline, kerosene, and fuel oil in various sections of the country.

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OEM presents first in series of radio Variety Shows

The first in a series of Variety Shows, presented by the Office for Emergency Management, started Sunday night, November 9, over the Mutual Broadcasting System.

A theme song, "Keep 'Em Rolling," written especially by Richard Rodgers and Lorenz Hart for the show, was introduced. Morton Gould was musical conductor.

As master of ceremonies, Clifton Fadiman interviewed Donald M. Nelson, Director of Priorities. Professor John Albright, of the Case School of Applied Science, was interviewed about spider breeding and how spiders' webs are used for defense purposes.

Maurice Evans appeared in a dramatization of "Valley Forge," written by Maxwell Anderson, and Ethel Merman sang.

PURCHASES . . .

\$549,712,265 War Department contracts cleared October 30 through November 5

Defense contracts totaling \$549,712,265 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period October 30 through November 5. This compares with a total of \$242,968,022 for the previous week.

AIRCRAFT

Candler-Hill Corporation, Detroit, Mich.; fuel pumps; \$820,900.

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; automatic pilots; \$781,524.

Manning, Maxwell & Moore, Inc., Bridgeport, Conn.; manifold pressure gauges; \$628,320.

Firestone Tire & Rubber Co., Firestone Steel Products Division, Akron, Ohio; oxygen cylinders; \$830,729.

Curtiss-Wright Corporation, Airplane Division, Buffalo, N. Y.; airplanes and parts; \$107,434,037.

Lockheed Aircraft Corporation, Burbank, Calif.; airplanes and parts; \$92,277,800.

The Emerson Electric Mfg. Co., St. Louis, Mo.; machine gun turrets; \$20,029,362.

Fairchild Engine & Airplane Corporation, Fairchild Aircraft Division, Hagerstown, Md.; airplanes and parts; \$4,329,909.

Douglas Aircraft Co., Inc., Santa Monica, Calif.; airplanes and spare parts; \$78,264,093.

Glenn L. Martin Co., Baltimore, Md.; turret assemblies; \$19,007,247.

General Motors Corporation, Allison Division, Indianapolis, Ind.; aeronautical engines; \$124,459,170.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; aircraft instruments; \$10,753,723.

Square D Company, Kollsman Instrument Division, Elmhurst, N. Y.; pilot tubes, altimeters, tachometer indicators, etc.; \$2,997,565.

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; supercharger regulator assemblies; \$2,208,450.

Bendix Aviation Corporation, Pioneer Instrument Division, Bendix, N. J.; altimeters; \$1,686,830.

Air Cruisers, Inc., Clifton, N. J.; oxygen cylinders; \$1,047,592.

Chandler-Evans Corporation, South Meriden, Conn.; fuel pumps; \$1,320,877.

ORDNANCE

International Harvester Co., Chicago, Ill.; gun carriages; \$2,476,875.

Byron Jackson Co., Los Angeles, Calif.; recoil mechanisms; \$1,163,844.

Worthington Pump & Machinery Corporation, Holyoke, Mass.; gun mounts; \$6,147,400.

United Shoe Machinery Corporation, Beverly, Mass.; guns; \$1,725,000.

Pullman-Standard Car Mfg. Co., Hammond, Ind.; gun carriages; \$950,300.

Wellman Engineering Co., Cleveland, Ohio; barrette carriages; \$3,485,420.

Western Austin Co., Aurora, Ill.; gun carriages; \$1,609,020.

General Electric Co., Erie, Pa.; howitzers; \$825,699.

Yoder Co., Cleveland, Ohio; guns; \$7,000,000.

American Type Founders, Inc., Elizabeth, N. J.; recoil mechanisms; \$537,649.

Munitions Mfg. Corporation, Poughkeepsie, N. Y. (Subsidiary of International Business Machines, N. Y.); guns; \$9,300,000.

Campbell, Wyant & Cannon Foundry Co., Muskegon, Mich.; tank tracks; \$2,246,869.

Miller Printing Machinery Co., Pittsburgh,

Pa.; gun mounts, spare parts, etc.; \$503,047.

Manistee Iron Works, Manistee, Mich.; presses; \$1,153,239.

Heldrich Tool and Die Corporation, Detroit, Mich.; presses; \$601,207.

Guiberson Diesel Engine Co., Chicago, Ill. (for manufacture at The Buda Co. Plant, Harvey, Ill.); parts of tanks; \$4,048,209.

EQUIPMENT AND SUPPLIES

Graybar Electric Co., Inc., New York, N. Y. (for manufacture at Western Electric Co., Point Breeze, Md.); cable and reels; \$521,196.

Teletype Corporation, Chicago, Ill.; teletype equipment; \$957,178.

CONSTRUCTION

T. L. James & Co., Inc., Ruston, La.; grading, draining and paving, Advanced Single Engine Flying School, Lake Charles, La.; \$1,301,443.

A. Franel Blair, Decatur, Ga.; construction of warehouses and engineering sheds, Atlanta General Depot, Conley, Ga.; \$2,739,954.

Morrison-Knudsen Co., Los Angeles, Calif.; construction of supplemental water supply system including utilities, Camp Haan, Calif.; \$523,944.

Briggs Manufacturing Co., Detroit, Mich.; establishment of plant with equipment for manufacture of aircraft gun turrets; \$3,848,543. (Defense Plant Corporation agreement of lease.)

Singer Manufacturing Company, Elizabeth, N. J., and Bridgeport, Conn.; acquisition of additional machinery, equipment and durable tools to be used in the production of fire control equipment; \$2,500,000. (Defense Plant Corporation agreement of lease.)

Guiberson Diesel Engine Co., Garland, Tex.; establishment of a plant for manufacture of tank engines; \$2,411,097. (Defense Plant Corporation agreement of lease.)

Aviation Manufacturing Corporation (Lycoming Division), Williamsport, Pa.; construction of plant at Williamsport, together with machinery and equipment for use therein and for use in existing plant for manufacture of aircraft engines; \$3,714,277. (Defense Plant Corporation agreement of lease.)

Jacobs Aircraft Engine Co., Pottstown, Pa.; constructing and equipping plant at Pottstown, Pa., and additional machinery and equipment for use in existing plant; \$13,077,727. (Defense Plant Corporation agreement of lease.)

Niles-Bement-Pond Co. (Pratt & Whitney Division), West Hartford, Conn.; acquisition and installation of additional plant facilities at its existing plant at West Hartford, Conn., for manufacture of machine tools; \$405,000. (Defense Plant Corporation agreement of lease.)

Railroads modify shipping regulations to save 250,000 tons of paperboard a year

Modifications of regulations governing the shipping of freight in corrugated and solid fibre shipping containers, which are expected to save approximately 10 percent of the paperboard used in that manner, have been put into effect on American railroads as a result of cooperation by the railroads with the containers branch of the Office of Production Management.

With the approval of Commissioner C. B. Aitchison of the Interstate Commerce Commission, an order modifying the container regulations has been issued by the classification committee of the Association of American Railroads.

The effect of the modification will be to provide for defense uses between 250,000 and 300,000 tons of paperboard per year without using any additional raw materials or supplies. The containers branch of OPM believes this will enable the fibre box manufacturers to meet all present shipping container demands.

The new specifications were proposed by the simplification committee of the Association of American Railroads after consultation with the conservation committee of the fibre box manufacturers. Hearings were held by the railroad committee in various sections of the country.

In the past, corrugated boxes made to carry 40 pounds or less had to be made of a combination of materials having a total thickness of 41 thousandths of an inch. This thickness has been reduced so that boxes which will carry up to 20 pounds need have a thickness of only 27 thousandths of an inch with a slightly heavier thickness for boxes in the 20 to 40 pounds bracket. Similarly, boxes to carry up to 90 pounds may now be made of one facing 30 thousandths of an inch in thickness and one of 16 thousandths in place of two facings, each 30 thousandths of an inch thick, formerly required.

In addition to this liberalization of weight requirements, the size limitations have also been broadened. The containers branch of OPM believes that distribution costs of goods shipped in the new containers will be materially reduced.

"This action is an excellent illustration of the results that can be achieved through the willing cooperation of forward looking industry groups in the defense program," said OPM Purchases Director MacKeachie, to whose Division the containers branch is attached.

301 Certificates of Necessity for plant expansion issued to 217 corporations

A total of 301 Certificates of Necessity were issued to 217 corporations from October 1 to 15, inclusive, the National Defense Advisory Commission has announced. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$66,478,000.

This brings the total issued through October 15 to 2,833. The cost of facilities covered to date was estimated at \$1,282,864,000.

A compilation of firms for the first half of October and estimated cost of facilities follows:

Ace Drill Co., Detroit, Mich.; high speed twist drills; \$38,000.

Acme Grain Co., Minneapolis, Minn.; grain storage; \$5,000.

Acme Pattern & Tool Co., Inc., Dayton, Ohio; jigs, dies, patterns and castings; \$112,000.

Aero Parts Manufacturing Co., Inc., Wichita, Kans.; aircraft sheet metal, \$59,000. African Metals Corporation, New York, N. Y.; cobalt metal and oxide; \$400,000.

Agawam Aircraft Products, Inc., Sag Harbor, L. I., N. Y.; machined parts for airplanes; \$40,000.

Alco Tool Co., Santa Monica, Calif.; aircraft tools of all kinds; \$33,000.

Aircraft & Diesel Equipment Corporation, Chicago, Ill.; precision parts for aircraft engines; \$20,000.

The Alliance Machine Co., Alliance, Ohio; steel castings and parts for cranes; \$50,000.

Aluminum Company of America, Pittsburgh, Pa.; screw machine products, \$59,000.

The American Brake Shoe & Foundry Co., New York, N. Y.; castings, brake shoes, etc.; \$516,000.

American Chain & Cable Co., Inc., Bridgeport, Conn.; steel castings and armor piercing cores; \$189,000.

American Lava Corporation, Chattanooga, Tenn.; insulation parts for radios, \$408,000.

American Locomotive Co., New York, N. Y.; turret and cupola race rings, and gun carriages; \$93,000.

The American Monorail Co., Cleveland, Ohio; monorail cranes, etc.; \$16,000.

Apex Machine Co., Chicago, Ill.; special machines, tools, dies, etc.; \$258,000.

E. C. Atkins and Co., Indianapolis, Ind.; saws and parts; \$11,000.

Atlantic Basin Iron Works, Brooklyn, N. Y.; steamship repairs; \$3,000.

Atlantic Elevator Co., Minneapolis, Minn.; grain storage; \$8,000.

The Baker-Raulang Co., Cleveland, Ohio; machined parts for trucks, cranes, etc.; \$20,000.

The Barrett Co., New York, N. Y.; distilling tar for chemicals; \$17,000.

The Bauer Brothers Co., Springfield, Ohio; machining of shells; \$60,000.

Bell Aircraft Corporation, Buffalo, N. Y.; pursuit planes, gun mounts, etc.; \$465,000.

Benrus Watch Co., New York, N. Y.; parts for fuses and aircraft instruments; \$2,000.

Bethlehem Steel Co., Bethlehem, Pa.; repair and alteration of vessels, pig iron; \$1,726,000.

The Bignall Co., Medina, N. Y.; grey iron and brass castings; \$6,000.

Blaw-Knox Co., Pittsburgh, Pa.; machining of armor castings, \$174,000.

Bliss & Laughlin, Inc., Harvey, Ill.; strain annealing of steel; \$60,000.

Bohn Aluminum & Brass Corporation, Detroit, Mich.; aluminum extruded rods for forgings; \$20,000.

Borg-Warner Corporation, New Castle, Ind.; electric steel ingots and gears; \$246,000.

Briggs & Stratton Corporation, Milwaukee, Wisc.; bomb parts and fuses; \$75,000.

The Brooklyn Union Gas Co., Brooklyn, N. Y.; toluol, xylo, benzol; \$21,000.

Bryant Chucking Grinder Co., Springfield, Vt.; internal grinders; \$16,000.

Burgess-Norton Mfg. Co., Geneva, Ill.; tank parts; \$54,000.

Cal-Aero Corporation, Glendale, Calif.; pilot training and airplane maintenance; \$284,000.

The Canton Drop Forging & Manufacturing Co., Canton, Ohio; airplane motor parts and tank forgings; \$520,000.

Carolina Aluminum Co., Pittsburgh, Pa.; carbon electrodes, pig aluminum and power; \$545,000.

Carrollton Corporation, Limestone, N. Y.; quartz gravel and conglomerate; \$52,000.

Charleston Shipbuilding & Drydock Co., Charleston, S. C.; fleet tugs; \$1,050,000.

The Chicago Roller Skate Co., Chicago, Ill.; M-21 boosters; \$11,000.

Clark Equipment Co., Buchanan, Mich.; truck transmissions and housings; \$8,000.

The Cleveland Automatic Machine Co., Cleveland, Ohio; automatic screw machines and parts; \$59,000.

The Cleveland Crane & Engineering Co., Wickliffe, Ohio; overhead cranes, tramrails, etc.; \$10,000.

The Cleveland Tractor Co., Cleveland, Ohio; high-speed military tractors; \$16,000.

Cogsdill Twist Drill Co., Inc., Detroit, Mich.; twist drills, reamers, etc.; \$9,000.

Colgate-Larsen Aircraft Co., Long Island, N. Y.; aircraft parts; \$26,000.

Collins Radio Co., Cedar Rapids, Iowa; radio equipment; \$20,000.

Continental-Diamond Fibre Co., Newark, Del.; vulcanized fibre and vulcord; \$50,000.

The Couch-Uthe Co., Elyria, Ohio; automatic screw machine products; \$28,000.

Covel Manufacturing Co., Benton Harbor, Mich.; machine tools; \$6,000.

Detroit Tap & Tool Co., Hamtramck, Mich.; gages, gears, taps, and thread tools; \$42,000.

The Dixie Mercerizing Co., Chattanooga, Tenn.; combed cotton yarn; \$33,000.

The Dow Chemical Co., Midland, Mich.; aniline, phenol, and monochlorobenzol; \$1,086,000.

The East Dayton Tool & Die Co., Dayton, Ohio; gages, tools, dies, fixtures, etc.; \$158,000.

The Falk Corporation, Milwaukee, Wis.; gear reducing units; \$15,000.

Farmers Elevator Co. of Williston, Williston, N. D.; grain storage; \$11,000.

The Federal Bearings Co., Inc., Poughkeepsie, New York; ball bearings; \$213,000.

Federal-Mogul Corporation, Detroit, Mich.; bronze bushings and parts for aircraft motors; \$32,000.

The Fellows Gear Shaper Co., Springfield, Vt.; gear finishing machines, etc.; \$239,000.

Ferracute Machine Co., Bridgeton, N. J.; machine tools, etc.; \$115,000.

Firestone Tire & Rubber Co., Akron, Ohio; rubber products; \$35,000.

Firth-Sterling Steel Co., McKeesport, Pa.; carbide dies & tools; \$17,000.

Floorola Products, Inc., York, Pa.; gun parts; \$3,000.

The Fulton Sylphon Co., Knoxville, Tenn.; fuzes and parts, cartridge cases, etc.; \$14,000.

The Fyr-Fyter Co., Dayton, Ohio; decontaminator instruments, etc.; \$21,000.

The Garrett Corporation, Los Angeles, Calif.; aircraft coolers, inter-coolers, etc.; \$24,000.

General American Transportation Corporation, Chicago, Ill.; tank cars; \$3,036,000.

General Cable Corporation, New York, N. Y.; electrical wires and cables; \$407,000.

General Chemical Co., New York, N. Y.; sulfuric acid; \$887,000.

General Electric Co., Schenectady, N. Y.; aircraft generators and electric turret controls; \$243,000.

General Iron Works Co., Denver, Colo.; gears and turret lathes, etc.; \$97,000.

General Motors Corporation, Detroit, Mich.; aircraft engine bearings and truck parts; \$160,000.

Gisholt Machine Co., Madison, Wis.; turret and automatic lathes, etc.; \$97,000.

Goddard & Goddard Co., Detroit, Mich.; cutters, reamers, special tools, etc.; \$37,000.

The Goodyear Tire & Rubber Co., Akron, Ohio; barrage balloons, life rafts, vests, etc.; \$103,000.

Gorman Heat Treating Corporation, Springfield, Mass.; heat treating of steel; \$20,000.

The G. A. Gray Co., Cincinnati, Ohio; planers, machine tools; \$24,000.

The Griscom-Russell Co., New York, N. Y.; heat transfer apparatus; \$36,000.

Hagemester's Inc., Potter, Nebr.; grain storage; \$3,000.

Allan Hancock College of Aeronautics, Santa Maria, Calif.; flying instructions; \$2,000.

Hanlon-Gregory Galvanizing Co., Pittsburgh, Pa.; pickling, oiling, galvanizing, etc., of steel and plates; \$93,000.

Hanson-Van Winkle-Munning Co., Matawan, N. J.; machines for electroplating and treating processes; \$15,000.

Harshaw Chemical Co., Cleveland, Ohio; vitreous enamel, cadmium, glycerine, etc.; \$357,000.

Hastings Manufacturing Co., Hastings, Mich.; screw machine products; \$13,000.

Ernest Holmes Company, Inc., Chattanooga, Tenn.; automobile wreckers; \$34,000.

Inland Steel Co., Chicago, Ill.; ore for pig iron and plates; \$822,000.

International Elevator Co., Minneapolis, Minn.; grain storage; \$5,000.

International Graphite & Electrode Corporation, St. Marys, Pa.; graphite electrodes; \$496,000.

The International Nickel Co., Inc., New York, N. Y.; refined nickel, cylinders, plungers, etc.; \$61,000.

Iron Fireman Manufacturing Co., Portland, Oreg.; machining of aircraft parts; \$4,000.

Isolantite Inc., Belleville, N. J.; insulators for radio equipment; \$7,000.

Ithaca Gun Company, Inc., Ithaca, N. Y.; pistols, shotguns, and parts; \$30,000.

Johnston Manufacturing Co., Charlotte, N. C.; 2-ply cotton yarn; \$57,000.

Kearney & Trecker Corporation, Milwaukee, Wis.; milling machines; \$1,191,000.

The M. W. Kellogg Co., Jersey City, N. J.; marine surface condensers, \$68,000.

Kilgore Manufacturing Co., Tipp City, Ohio; pistols, cartridges, signals, etc.; \$11,000.

Kollmorgen Optical Corporation, Brooklyn, N. Y.; submarine periscopes; \$43,000.

Koppers Co., Baltimore, Md.; aircraft catapults; \$36,000.

Laclede-Christy Clay Products Co., St. Louis, Mo.; fire brick; \$792,000.

Ladish Drop Forge Co., Cudahy, Wis.; forgings; \$7,000.

LaSalle Tool & Gauge, Inc., Detroit, Mich.; tools, fixtures, gauges, etc.; \$23,000.

Lawler Automatic Controls, Inc., Mount Vernon, N. Y.; thermostatic valves and regulators; \$8,000.

R. G. LeTourneau, Inc., Peoria, Ill.; earth moving machinery; \$175,000.

The Locomotive Finished Material Co., Atchison, Kans.; hoist castings, ring castings, milling machines; \$97,000.

The Longhorn Portland Cement Co., San Antonio, Tex.; cement; \$42,000.

Lukens Steel Co., Coatesville, Pa.; carbon and alloy steel plates; \$79,000.

Machlett Laboratories, Inc., Springdale, Conn.; x-ray tubes and rectifying valves; \$94,000.

Mansbach Metal Company, Inc., Ashland, Ky.; scrap iron and other metals; \$42,000.

Marmon-Herrington Company, Inc., Indianapolis, Ind.; armored vehicles; \$512,000.

Marquette Metal Products Co., Cleveland, Ohio; precision machined parts; \$50,000.

The McKinney Tool & Mfg. Co., Cleveland, Ohio; drill chucks, fixtures, dies, machine tools, etc.; \$93,000.

B. Mercil & Sons Plating Co., Chicago, Ill.; brass plating of tank parts; \$50,000.

Mergenthaler Linotype Co., Brooklyn, N. Y.; telescope mounts; \$1,000.

Metal Door & Trim Co., LaPorte, Ind., aircraft sheet metal parts; \$15,000.

Michigan Die Casting Co., Detroit, Mich.; receive plate for auto guns; \$14,000.

Midland Machine Corporation, Chicago, Ill.; turret lathes, etc.; \$216,000.

Mid-State Frozen Egg Corporation, Chicago, Ill.; dried eggs; \$203,000.

Mine Safety Appliances Co., Pittsburgh, Pa.; confidential products; \$401,000.

The Monarch Machine Tool Co., Sidney, Ohio; lathes, metal working; \$22,000.

Montana Elevator Co., Great Falls, Mont.; grain storage; \$20,000.

The Mosler Safe Co., Hamilton, Ohio; machine tool parts; \$21,000.

Nantahala Power & Light Co., Pittsburgh, Pa.; electric power; \$20,000.

The National Acme Co., Cleveland, Ohio; machine tools, airplane wheels and brakes; \$136,000.

National Carbon Company, Inc., New York, N. Y.; graphite and carbon electrodes; \$843,000.

National Rivet & Manufacturing Co., Waupun, Wis.; aluminum aircraft rivets; \$378,000.

National Tube Co., Pittsburgh, Pa.; forgings, unloaded bomb shells; \$183,000.

The National Twist Drill & Tool Co., Detroit, Mich.; twist drills, etc.; \$2,000.

The Negaunee Mine Co., Cleveland, Ohio; iron ore; \$2,605,000.

New Orleans & Lower Coast Railroad Co., St. Louis, Mo.; export transportation of explosives; \$70,000.

Northern Equipment Co., Erie, Pa.; boiler feed regulators, valves, etc.; \$6,000.

Norton Co., Worcester, Mass.; alundum ore; \$105,000.

The O. K. Tool Co., Shelton, Conn.; machine tools; \$60,000.

The Ohio Crankshaft Co., Cleveland, Ohio; crankshafts and camshafts; \$31,000.

The Ohio Knife Co., Cincinnati, Ohio; machine tool parts; \$8,000.

Oil Well Supply Co., Dallas, Tex.; machining of shells; \$61,000.

Omaha Elevator Co., Omaha, Nebr.; grain storage; \$59,000.

Oregon-Washington Railroad and Transportation Co., Omaha, Nebr.; railroad transportation; \$8,000.

The Osborn Manufacturing Co., Cleveland, Ohio; foundry equipment; \$8,000.

Osborne-McMillan Elevator Co., Minneapolis, Minn.; grain storage; \$3,000.

Pacific Car & Foundry Co., Renton, Wash.; cranes and machining of airplane parts; \$9,000.

Pacific Coast Aggregates, San Francisco, Calif.; concrete aggregates; \$84,000.

Pacific Gas & Electric Co., San Francisco, Calif.; electric energy; \$7,000.

Parish Pressed Steel Co., Reading, Pa.; ammunition accessories, gun carriages, etc.; \$140,000.

The Park Drop Forge Co., Cleveland, Ohio; dies, crankshaft forgings; \$1,000.

Penn-Jersey Shipbuilding Corporation, Camden, N. J.; construction and repair of ships; \$409,000.

The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$47,000.

The Perry-Fay Co., Elyria, Ohio; shells, fuze parts, primers, etc.; \$119,000.

Pettibone Mulliken Corporation, Chicago, Ill.; gun carriages and parts; \$303,000.

Phillips Petroleum Co., Bartlesville, Okla.; 100 octane aviation gasoline; \$30,000.

The Pipe Machinery Co., Cleveland, Ohio; machine tools and parts; \$8,000.

Pittsburgh Corning Corporation, Pittsburgh, Pa.; glass insulation; \$500,000.

Pittsburgh Steel Co., Pittsburgh, Pa.; mechanical and pressure tubing; \$48,000.

Pittsburgh Steel Foundry Corporation, Glassport, Pa.; steel castings; \$146,000.

Plantation Pipe Line Co., New York, N. Y.; piping of petroleum; \$19,265,000.

Potgeter Grain Company, Inc., Eagle Grove, Iowa; grain storage; \$6,000.

The Product Machine Co., Bridgeport, Conn.; milling machines and fixtures; \$20,000.

Puget Sound Machinery Depot, Seattle, Wash.; boilers; \$50,000.

Pump Engineering Service Corporation, Cleveland, Ohio; fuel pumps, valves, etc.; \$48,000.

Quincy Adams Yacht Yard, Inc., Quincy, Mass.; submarine chasers; \$6,000.

Red River Elevator Co., Moorhead, Minn.; grain storage; \$7,000.

Reichhold Chemicals, Inc., Detroit, Mich.; phthalic anhydride, synthetic resins, etc.; \$971,000.

The Reid Avery Co., Baltimore, Md.; arc welding electrodes; \$34,000.

The Reliance Foundry Co., Cincinnati, Ohio; gray iron castings; \$18,000.

Republic Aviation Corporation, Farmingdale, L. I., N. Y.; pursuit type airplanes; \$5,000.

Robbins & Myers, Inc., Springfield, Ohio; aviation instrument parts; \$58,000.

Ross-Meehan Foundries, Chattanooga, Tenn.; steel castings; \$63,000.

Rotary Electric Steel Co., Warren Township, Mich.; alloy steel billets and bars; \$135,000.

Russell Miller Milling Co., Minneapolis, Minn.; grain storage; \$74,000.

Ryan School of Aeronautics, San Diego, Calif.; training of pilots; \$36,000.

The St. Anthony & Dakota Elevator Co., Minneapolis, Minn.; grain storage; \$5,000.

Frank L. Sample Jr., Inc., Boothbay Harbor, Maine; wooden mine sweepers; \$39,000.

Sandusky Foundry & Machine Co., Sandusky, Ohio; centrifugally cast products; \$65,000.

The Schatz Manufacturing Co., Poughkeepsie, N. Y.; aircraft ball bearings; \$26,000.

The Wm. Schollhorn Co., New Haven, Conn.; piler action hand tools; \$6,000.

Shell Oil Company, Inc., New York, N. Y.; nitration grade toluene; \$606,000.

SKF Industries, Inc., Philadelphia, Pa.; ball and roller bearings; \$115,000.

Sloss-Sheffield Steel & Iron Co., Birmingham, Ala.; coke for manufacturing of pig iron, etc.; \$176,000.

Smith & Wesson, Inc., Springfield, Mass.; guns, etc.; \$200,000.

F. L. Smithe Machine Co., Inc., New York City; aircraft engine parts and machine tools; \$54,000.

Spartan Aircraft Co., Tulsa, Okla.; airplanes and parts; \$25,000.

Standard Alcohol Co., New York, N. Y.; ethyl alcohol, etc.; \$3,277,000.

Standard Oil Company of New Jersey, New York, N. Y.; transportation of petroleum; \$26,000.

The L. S. Starrett Co., Athol, Mass.; machinists' precision tools and hacksaws; \$52,000.

The Steel Tank & Pipe Co. of Oregon, Portland, Oreg.; ore reduction pots, etc.; \$26,000.

Stewart-Warner Corporation, Chicago, Ill.; fuzes, etc.; \$17,000.

Tecumseh Products Co., Tecumseh, Mich.; projectiles; \$91,000.

Templeton, Kenly & Co., Inc., Chicago, Ill.; industrial jacks, etc.; \$37,000.

Textile Machine Works, Reading, Pa.; machine gun parts, etc.; \$187,000.

The Henry G. Thompson & Son Co., New Haven, Conn.; saw blades and parts; \$7,000.

Tietjen & Lang Dry Dock Co., Hoboken, N. J.; repairing, converting, etc. of vessels; \$1,310,000.

Todd-California Shipbuilding Corporation, Oakland, Calif.; magnesium metal; \$3,370,000.

Troy Engine & Machine Co., Troy, Pa.; steam engines and parts; \$18,000.

Union Mills Co., Monroe, N. C.; cotton yarn; \$51,000.

United Aircraft Corporation, East Hartford, Conn.; aircraft engines and parts; \$4,261,000.

The United States Graphite Co., Saginaw, Mich.; carbon packing engine rings; \$5,000.

United States Industrial Chemicals, Inc., New York, N. Y.; ethyl alcohol; \$378,000.

United States Rubber Co., New York, N. Y.; bullet sealing airplane tanks; \$6,000.

Vanadium Corporation of America, New York, N. Y.; ferro alloys; \$1,439,000.

The Van Dorn Iron Works Co., Cleveland, Ohio; processing of armor plate; \$6,000.

Victoria Elevator Co., Minneapolis, Minn.; grain storage; \$17,000.

Waterville Union Grain Co., Waterville, Wash.; grain storage; \$16,000.

Watervliet Tool Co., Inc., Albany, N. Y.; reamers, etc.; \$117,000.

Wehr Steel Co., Milwaukee, Wisc.; cast armor plate, castings, etc.; \$43,000.

Western Die Casting Co., Emeryville, Calif.; dies and die casts for aircraft; \$3,000.

Western Electric Co., Inc., New York, N. Y.; testing equipment for field wire; \$4,000.

Western Foundry Co., Portland, Oreg.; castings for ship parts; \$50,000.

White Fuel Corporation, South Boston, Mass.; oil storage; \$133,000.

The Whitney Chain & Mfg. Co., Hartford, Conn.; rolls for roller chains; \$23,000.

The Wickes Boiler Co., Saginaw, Mich.; boilers; \$43,000.

Winter-Truesdell-Diercks Co., Minneapolis, Minn.; grain storage; \$5,000.

Woodworth Elevator Co., Minneapolis, Minn.; grain storage; \$12,000.

Worth Spinning Co., Stony Point, N. C.; textiles; \$48,000.

Yarnall-Waring Co., Philadelphia, Pa.; valves, steam traps, gages, etc.; \$40,000.

The Yoder Co., Cleveland, Ohio; horizontal boring mills; \$36,000.

York Ice Machinery Corporation, York, Pa.; refrigeration equipment; \$13,000.

Youngstown Sheet and Tube Co., Youngstown, Ohio; pig iron; \$1,250,000.

Zenth Foundry Co., West Hills, Wis.; grey iron castings; \$21,000.

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George H. Lanier consultant in textile branch

The appointment of George H. Lanier as textile finishing consultant in the textile, clothing, and equipage branch, Division of Purchases, OPM, was announced by Robert R. Guthrie, Assistant Director of Purchases. Mr. Lanier has been associated with J. B. Warne, Inc., of New York City, as vice president, for the past 11 years.

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Shireman named consultant

The appointment of John Shireman as hosiery consultant in the textile, clothing, and equipage branch, Division of Purchases, OPM, was announced by Robert R. Guthrie, assistant director of purchases.

TRANSPORTATION . . .

Truck survey vital to planning use and replacement, says Rogers

The fullest cooperation of all bus and truck operators with the Government's current survey of motor transportation facilities was asked November 3 by John L. Rogers, chairman of the Central Motor Transportation Committee, in order that defense officials might plan effectively for the best use of trucks and buses in the event of a national emergency.

Mr. Rogers said in a report to Ralph Budd, Transportation Commissioner, that in making recommendations to the Office of Production Management on the production of trucks and truck parts, his committee "cannot be expected to take account of truck needs as to which it is not fully informed."

Detailed information sought

"The Government is now spending a considerable sum in an attempt to get detailed information on every truck, freight trailer, and bus in the country," Mr. Rogers pointed out. "State motor-

vehicle departments and the Public Roads and Works Projects Administrations of the Federal Works Agency are making the inventory. Every truck and bus owner has already received or will shortly receive a questionnaire card to fill out with complete information about each vehicle, and an answer to the question, 'In case of an emergency would you voluntarily hire or lease vehicle to a Federal Agency?'

Age and kind asked

"We do not expect every truck owner to answer 'yes' to this question. In many cases their trucks will already be engaged in essential services and cannot be spared. But the Government must have information on these trucks as well as all others in order to plan the production of trucks and truck parts to meet all requirements under the national defense program. It is necessary to know the age and kind of trucks in essential services in order to plan replacements as they are required."

Shoemaker appointed consultant on refrigerated warehousing

Ralph Budd, Transportation Commissioner, announced November 4 the appointment of J. Raymond Shoemaker, president of the Hygeia Refrigerating Co., Elmira, N. Y., as consultant on refrigerated warehousing in the Transportation Division of the Office for Emergency Management.

Mr. Shoemaker will handle problems relating to the handling and storage of perishable food products, including lend-lease commodities. He will work with the various procurement agencies of the Government in the interest not only of seeing that their requirements are met, but that the most economical and efficient use is made of available cold storage facilities to meet the needs of both domestic and export requirements.

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Farm machine ratings extended; broad plan being devised to provide equipment for 1942

Provisions of the Farm Machinery and Equipment Rating Plan which would have expired October 31 were extended until November 30 by an order issued November 1 by Priorities Director Nelson.

These provisions, included in Preference Rating Order P-33 issued August 20, assigned the highest civilian preference rating, B-1, to deliveries of materials to manufacturers needing them for production of new farm machinery.

Broader plan under way

Extension of the plan is necessary so that there will be no break in the continuity of the farm equipment program. Work is under way on a broader plan to make materials available for new machinery to carry out the Department of Agriculture's expanded 1942 food production program.

Another order grants an A-10 rating on deliveries of materials necessary for the production of parts for the repair and maintenance of existing farm equipment. This plan (P-32) expires February 14, 1942, and is not affected by the extension of P-33.

1,512 new defense homes completed, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced November 4 that 1,512 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 1, making a total of 48,084 now ready for occupancy.

397 going into construction

With 397 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 102,182.

Federal funds have already been allotted for 123,379 defense homes.

FHA-inspected privately financed homes started during the week, totaled 3,688. Since January 1941, 186,530 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,210.

CARLOADINGS DROP

Revenue freight car loadings during the week ended November 1, totaled 894,739, an increase of 12.6 percent over the 794,797 cars loaded during the corresponding week in 1940, but a decrease of about 19,000 cars under the loadings for the week ended October 25.

For the year to November 1, a total of 44 weeks, 35,816,105 cars have been loaded as compared to 30,654,313 during the corresponding period in 1940 or an increase of 16.8 percent.

CARLOADINGS—WEEK ENDED NOVEMBER 1

	1941	1940	Percent increase
Grain and grain products.....	35,852	35,592	0.7
Livestock.....	19,821	19,830	.04
Coal.....	162,303	125,305	29.5
Coke.....	12,748	12,350	3.2
Forest products.....	44,472	40,872	8.8
Ore.....	59,378	62,042	4.3
Merchandise l. c. l.....	158,921	155,303	2.3
Miscellaneous.....	401,244	343,503	16.8
Total.....	894,739	794,797	12.6
Cumulative—44 weeks..	35,816,105	30,654,313	16.8

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Wickard against more than 110 percent of parity in proposed farm ceiling

Efforts to raise the proposed ceiling on some farm products to "well above 110 percent of parity" were opposed by Secretary of Agriculture Wickard speaking last week on the National Radio Forum.

"I am against these proposals for two reasons," the Secretary said. "First, they would tend to make price control ineffective. Prices for any product, whether farm or factory, should not be allowed to go to unreasonable heights. If the price control bill is to prevent inflation, it must have authority to keep prices from going too high.

Equality is the goal

"Second, Agriculture stands to lose a lot of good will if people get the idea the farmers are insisting on too much. It has taken us a long time to sell the country on the idea of equality for the farmer. Let's keep it sold.

"I am also opposed to the proposal to increase the loan rate on cotton, corn, wheat, rice, and tobacco, the so-called basic commodities, to 100 percent of parity. The loan rate is now 85 percent of parity, and I think that high enough because the payments to farmers cooperating in the farm program are bringing their total return to parity. To raise the loan rate on corn, for example, would raise the price of feed pretty sharply and this would increase the cost of producing milk, eggs, meat, and other foods. In turn, the price of some foods would have to be raised considerably above parity. This would hurt consumers now and farmers later on.

Fair prices foster production

"There are still other reasons why the 100 percent of parity proposal, is, in my opinion, unwise. The high loan would make it more difficult for the dairy farmers, meat producers, and the poultry producers to turn out the food we need for our defense effort.

"The simplest and most effective way to assure abundant production is fair prices to farmers. In fact, it is the only effective way.

"Without fair prices, farmers simply can't produce enough for our needs. A farmer can't stay in business indefinitely and lose money any more than a manufacturer can. We wouldn't expect a plane manufacturer, for example, to

make bombers and fighters at a loss. If he failed to break even, we'd know that he would have to quit. We want planes in this time of crisis, and so we see to it that the manufacturers are well paid for making them. We want food, lots of it, and to get it, we must assure fair prices for farmers.

By "fair" he means parity

"What do I mean by fair prices? Generally speaking, I mean parity prices. When farmers began to complain about low prices after the first World War, Congress decided that during the 1909-1914 period farm prices were just about right by comparison with other prices. So that period is used as a yardstick to determine parity prices.

"I think the country has come to accept the parity principle for agriculture and wants farmers to get parity. The agricultural legislation enacted by the Congress proves that. In turn, I feel that the majority of farmers think parity prices are high enough. Most farm prices are close to parity now and I haven't heard many complaints lately, about prices, from farmers.

"Farm prices, however, have gone up in the past year and, as a result, some people think they are high. They aren't high but some of us simply had become accustomed to low prices for farm products.

"As a matter of fact, the prices of some farm products have been going down a little lately. I've already mentioned pork. Hogs are off something like a cent and a half a pound from their September high. But prices to consumers have climbed a good bit and I am afraid that farmers have been blamed for most of the increase.

"Consumers should keep in mind that the price of farm products is only one factor in the cost of food. In many instances, other costs have gone up so that retail food prices have risen more than the farmer's price.

"Food prices today are not unreasonably high by comparison with other periods. They are only a little over 80 percent as high as in 1929. I don't think the average consumer will object very much to paying enough more for food to enable the farmer to get a reasonable return for his labor."

Local defense boards to take scrap drive to farms

The Department of Agriculture has announced that farmers throughout the country will be asked to sell their scrap metal for use in defense production.

Secretary of Agriculture Claude R. Wickard requested U. S. Department of Agriculture Defense Boards in each State to make plans for their States immediately and enlist the county defense boards in the effort.

Mr. Wickard pointed out that the Office of Production Management has been putting on a drive to increase the flow of scrap metal from the cities. OPM has now requested the aid of the Department of Agriculture in increasing the flow of scrap from the farms.

Threatened by shortages

"The national defense program is seriously threatened by actual and impending shortages of iron and steel scrap," Mr. Wickard said. "In addition, civilian shortages of steel including metal for farm implements and parts needed by farmers will be more severe if steel mills cannot be kept running at capacity. Farms have long been one of the most important sources of scrap metal. Therefore, it is a patriotic duty to see that the scrap be made available for use. As much as possible should be moved from farms now to avoid possible transportation difficulties later. The financial return to farmers for their old metal cannot be expected to be large, but the results will be important to farmers and to the whole defense effort."

Department agencies represented on the State and county defense boards are expected to give farmers all possible assistance and information, including estimates of prevailing prices for scrap in various parts of the country.

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BUILDERS RESPOND TO HOUSING PROGRAM

Builders have applied for critical materials for enough homes to cover nearly half the 200,000-unit, priority-aided private defense housing construction program, it was reported last week in a meeting of home-financing representatives at the offices of the Federal Home Loan Bank Board.

HEALTH AND WELFARE . . .

New service to coordinate U. S. medical resources on basis of over-all needs

Federal Security Administrator Paul V. McNutt, as Director of Defense Health and Welfare Services, announced November 1 the establishment of a Procurement and Assignment Service for the purpose of coordinating the various demands on the Nation's medical, dental, and veterinary personnel, and assuring the most efficient utilization of such personnel in the defense program. The plans for this service, the administrator emphasized, are designed to meet both military and civilian needs.

Headed by Dr. Frank Lahey

Mr. McNutt said the Procurement and Assignment Service would consist of five members. Dr. Frank Lahey, of Boston, Mass., president of the American Medical Association, will serve as chairman. Dr. Harold S. Diehl, dean of Medical Sciences, University of Minnesota; Dr. Harvey B. Stone, Baltimore, Md.; Dr. James E. Paullin, Atlanta, Ga.; and Dr. C. Willard Camalier, former president, American Dental Association, Washington, D. C., have been requested to serve with Dr. Lahey.

The functions of this service would be:

- (1) To receive from various governmental and other agencies requests for medical, dental, and veterinary personnel.
- (2) To secure and maintain lists of professional personnel available, showing detailed qualifications of such personnel.
- (3) To utilize all suitable means to stimulate voluntary enrollment, having due regard for the over-all public health needs of the Nation, including those of Government agencies and civilian institutions.

The Service held its first meeting November 7 in Washington. Present were members of the committee, including Drs. Stone, Diehl, Paullin, and Camalier. Also attending were Dr. Morris Fishbein, editor of the Journal of the American Medical Association, as consultant, and liaison officers representing all Federal agencies which use medical, dental, and veterinarian personnel.

Subcommittees were established to consider problems and interests of hospitals, industrial health, dentistry, medical education, Negro physicians, veterinarians, public health and women physicians. A committee on information was

established to keep the various professions concerned informed as to the needs for additional personnel in each field to meet the requirements of the United States Army and Navy.

An office for this agency will be established in Washington as a part of the Office of Defense Health and Welfare Services, and regional offices will be established in Chicago in the headquarters of the American Medical Association, and of the American Dental Association, where complete rosters of the members of these professions and their complete qualifications are already available.

The major principle of this plan, which recognizes the need for a systematic approach to the mobilization of the medical resources of the country, Mr. McNutt stated, has the full sanction of the American Medical Association, as well as that of the Health and Medical Committee of his office.

Quickened awareness of long-standing health and social needs evident—McNutt

Speaking on Health and Welfare Day of Civilian Defense Week, Federal Security Administrator Paul V. McNutt, who also is Director of Defense Health and Welfare Services, OEM, defined and summarized the national program for strengthening health and welfare defenses.

In an address scheduled for delivery before the Child Study Association on November 14, Mr. McNutt said:

"Today has been designated Health and Welfare Day, as a part of Civilian Defense Week. It is significant that a special day should be thus set aside, but it is equally significant that the human needs behind these services will continue for 365 days out of this year, next year, and every year to come.

"The Office of Defense Health and Welfare Services was set up to provide for these needs. Naturally our first concern was to come to the support of hard-pressed defense areas, to apply the 'good neighbor' policy among ourselves.

"Without attempting in any way to minimize the desperate urgency of all-out military protection and production

He added that the demands for physicians, dentists, and veterinarians, imposed by the needs of the Army and Navy particularly, and to only a slightly lesser degree, by the major defense industries, have resulted in recruitment policies which are seriously draining many communities of their medical personnel. In the event of full mobilization, he said the problem will inevitably become critical, unless an orderly plan of this nature is put into operation.

Mr. McNutt emphasized that the plan for recruitment of physicians, dentists, and veterinarians would, for the time being, be developed on a voluntary basis in the belief that if the work is sufficiently well coordinated, the professional needs of the Nation can be met adequately through a voluntary program.

However, Mr. McNutt added, "In the event voluntary recruitment fails, I propose, with the approval of the President, to request the Procurement and Assignment Service to suggest necessary legislation for involuntary recruitment if the exigencies of the national emergency may appear to require it."

for defense, I want to stress the long-time and continuing urgency of maintaining and strengthening the fabric of family and community life. There are tremendous potential assets as well as liabilities in our present situation.

"One change which may already be set down on the credit side of the ledger is the quickened awareness of long-standing needs. Emergency is an imperative eye-opener. It will not tolerate a do-nothing policy.

"For years we have worried along without adequate safeguards for health. With Federal help, more hospital beds and other facilities are being provided in the defense areas that have been hardest hit. Plans are being worked out to spread available medical supplies and care for the people at home as well as the men in camp. The Federal government is providing funds so that hospitals and schools can enlist and train 50,000 young women for professional nursing. And a corps of trained volunteer nurses aides is being built up to conserve skilled nursing care for the tasks in which it is most needed."

CIVILIAN DEFENSE . . .

3 million women needed as volunteers in civilian defense program—LaGuardia

Not less than 3 million women will be needed for the various volunteer services in the program of civilian defense, Mayor F. H. LaGuardia, U. S. Director of Civilian Defense, told a conference of representatives of 74 national women's organizations in the Government auditorium.

The conference was called by Miss Eloise Davison, assistant director in charge of group activities. Mrs. Franklin D. Roosevelt, assistant director, presided. She told the conferees that it is the objective of the program to leave every community stronger before the emergency is over.

Distinguished visitors present

Attending the conference were women representing each of the nine regional areas of the Office of Civilian Defense, representatives of each of the State defense councils and the District of Columbia, and officials of the various governmental agencies cooperating in the program of Civilian Defense. Mayor LaGuardia extended greetings.

Added significance, from the standpoint of hemisphere defense, was attached to the conference by the presence of distinguished women representatives of the following Latin-American countries: Argentina, Bolivia, Costa Rica, Colombia, Chile, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, and Panama.

Archibald MacLeish, Librarian of Congress and Director of the Office of Facts and Figures presented the opening address on the subject "Total Defense—What Organized Groups Can Do to Help Make Democracy Work."

Opportunities for volunteers

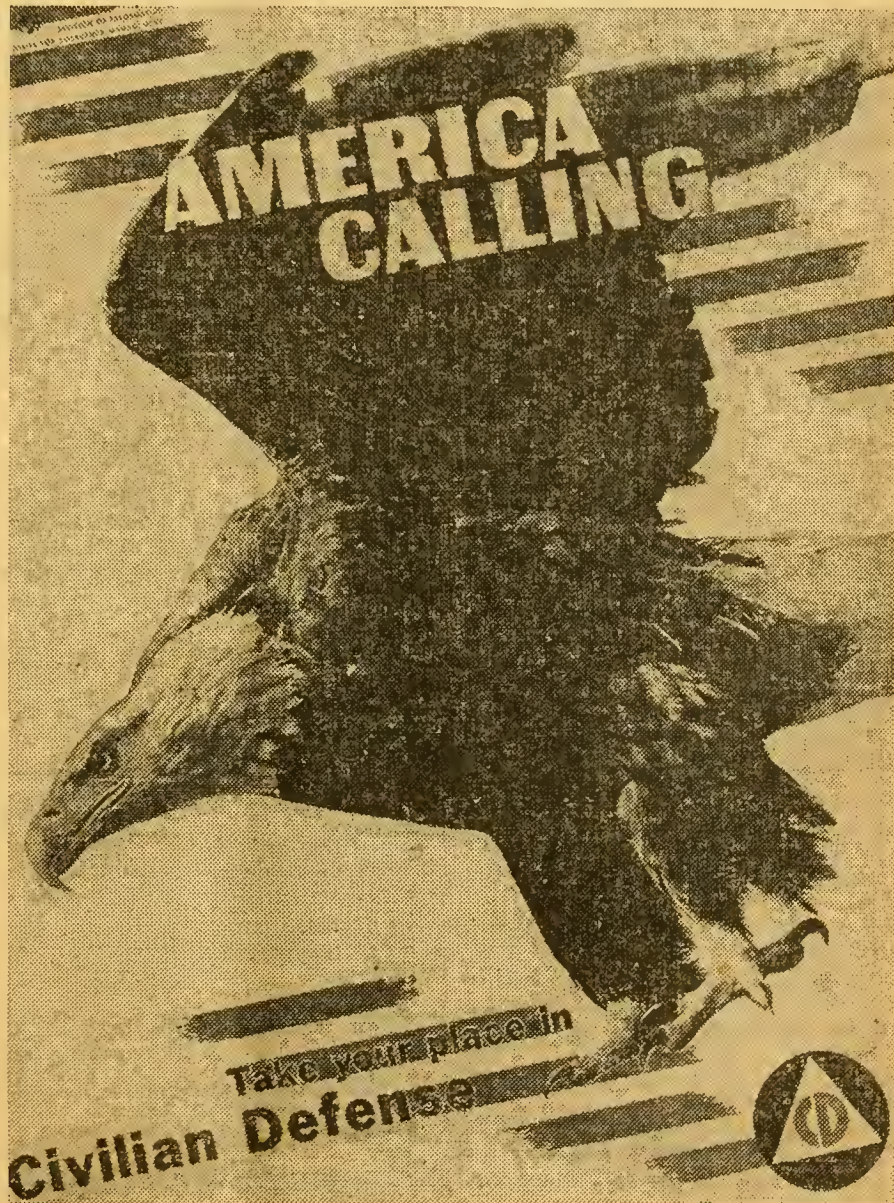
Opportunities for volunteers in various aspects of the civilian defense program were discussed by: Paul V. McNutt, Administrator of Federal Security Agency, "In Community Action Programs"; Dr. Thomas Parran, Surgeon General, U. S. Public Health Service, "In National Health Programs"; Claude R. Wickard, Secretary of Agriculture, "In Feeding the U. S. A. and Great Britain"; Miss Harriet Elliott, Associate Administrator, Office of Price Administration, "In Consumer Programs", and Dr. Martha M.

Elliot, Assistant Chief, U. S. Children's Bureau, "In Child Health and Welfare."

Miss Davison presided at the afternoon session, at which the topic for discussion was "Women in Defense."

Brig. Gen. Lorenzo D. Gasser, War Department representative on the Board of Civilian Protection of the Office of Civilian Defense, spoke on "Women in the Protection Program."

Miss Wilmer Shields spoke on "Your Local Volunteer Office." The discussion was led by Miss Grace Coyle, and an interpretative summary was given by Dr. Alice Kellher.



OEM DEFENSE PHOTO

AMERICA CALLING . . . The poster reproduced above was issued by the Division of Information, OEM, to State and local defense councils, mayors, governors, and others. Two-column mats for newspapers and other interested publications are available on request to the Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

Ratio of defense spending to income payments quadruples

(See chart on front cover.)

The increasing importance of defense expenditures in the national economy is shown in a comparison of such outlays with the total of all cash payments of income in the United States. Income payments include salaries and wages, dividends and interest, entrepreneurial income, net rents and royalties, and relief and insurance payments. Defense expenditures are estimated by the Bureau of Research and Statistics and income payments by the Department of Commerce.

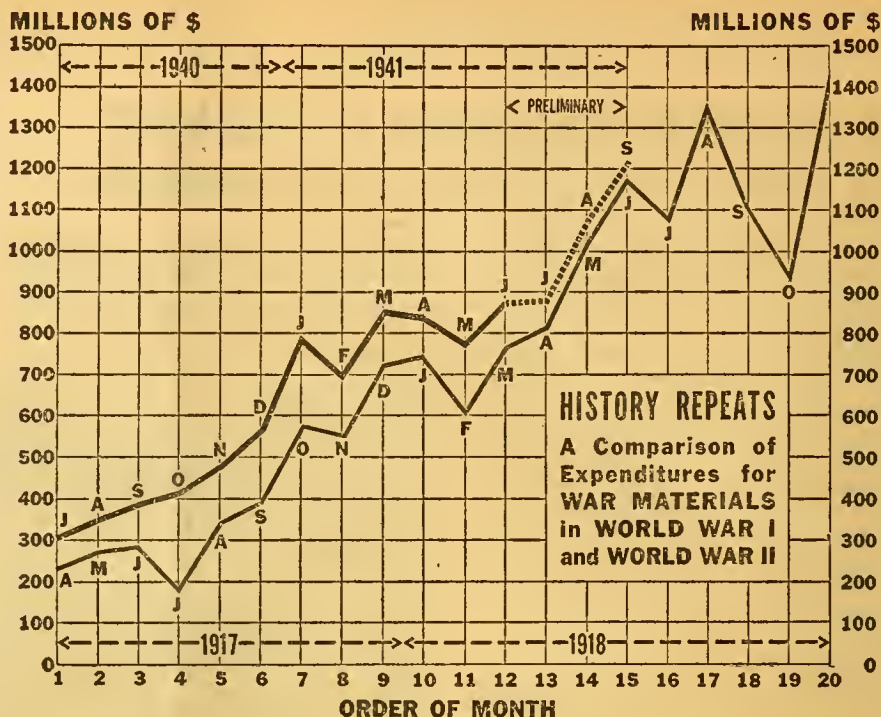
During the third quarter last year income payments were estimated at \$18,695,000,000, while defense disbursements amounted to \$682,000,000, or 4 percent of income payments. In the third quarter of 1941 the proportion had risen to 16 percent.

A tabular comparison follows:

INCOME PAYMENTS AND UNITED STATES DEFENSE EXPENDITURES, QUARTERLY JULY 1940—SEPTEMBER 1941

Year and quarter	Income payments	United States defense expenditures	Percent U. S. defense expenditures of income payments
	Millions of dollars	Millions of dollars	
1940			
Third.....	18,695	682	4
Fourth.....	20,708	1,227	6
1941			
First.....	20,045	2,313	12
Second.....	21,437	2,885	13
Third.....	22,832	3,593	16

¹ Preliminary estimate.



Oppenheim is appointed OPA textile price executive

Appointment of Burton E. Oppenheim as price executive of the textiles, leather goods, and apparel section of the Office of Price Administration was announced November 7 by J. K. Galbraith, assistant administrator.

Mr. Oppenheim, who has been acting as executive assistant to Lessing J. Rosenwald, chief of the Bureau of Industrial Conservation of OPM, replaces

Paul M. O'Leary, who has been made assistant director, OPA price division.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

Chart above also is available.

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

NOVEMBER 18, 1941

VOLUME 2, NUMBER 46

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9.....	1,588,500
Navy and Marine Corps, Oct. 1....	366,629
Nonagricultural workers, Sept....	*40,065,000
Percent increase since June 1940	13
18 defense industries, Sept.....	*2,860,500
Percent increase since June 1940	65

FINANCE

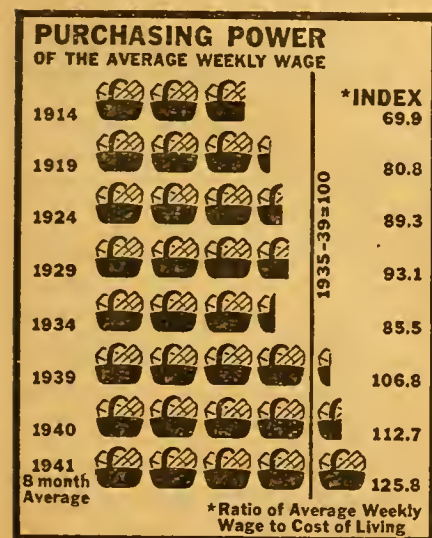
June 1940 to latest reporting date	(In millions of dollars)
Authorized program Oct. 31.....	*63,962
Contract awards Oct. 15.....	*39,263
Total disbursements Sept. 30.....	10,745

PRODUCTION

Paid on contracts, June 1940—	
September 30, 1941.....	\$8,464,000,000
Combat vessels in October....	*5
Merchant ships, October.....	*10

Week ended November 8	Strikes	Workers
Significant defense strikes in progress during week.....	12	8,100
Number settled.....	8	5,700

*Preliminary.



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Review of the Week in Defense

The National Defense Mediation Board, November 10-16, for the first time in its history passed a week without a strike on its calendar. When the Board refused to recommend a union shop in the captive coal mines supplying the steel industry, however, all of the CIO members and alternate members of the Board resigned. Three days of negotiations at the White House were broken off November 16 and it was announced that the miners would go on strike the following day.

Magnesium stocks put on call

As officials discussed publicly the forthcoming system to divide critical materials among industries, the Office of Production Management reached out last week to place all existing stocks of one of those materials on call for urgent defense work only. By order of the Priorities Division all magnesium and magnesium products, in whatever form or by whom ever held, unless now being employed for defense orders rated A-1-j or higher, must be reported and held for use under strict control. The magnesium acquired in this way will be used to fill immediate demands for such purposes as airplane manufacture.

More plastics sought

A current shortage of phenols, caused by the increased use of plastics in airplanes and by heavy military export demands, moved OPM to subject shipments of these chemicals to monthly orders of the Priorities Director. Another priority order was designed to give plastics an increased flow of methyl alcohol, which is also used as an antifreeze and as a general denaturant and solvent.

Other priority action curtailed January production of light trucks for civilian use 35.9 percent below output for the same month this year; decreased the use of chlorine in whitening practically all grades of paper; aided the rebuilding of machine tools for defense, and allocated 10 to 15 million dollars' worth of machine tools to Russia.

Priority assistance was granted to producers of natural gas; transporters of petroleum products; operators of pri-

vately owned irrigation systems, toll bridges and toll canals; machine and repair shops, blacksmiths, and similar repair and maintenance operators; makers of parts for repairs to elevators and escalators; makers of conveyor machinery; manufacturers of wooden and paper-board containers (to get necessary hardware); and producers of chemicals and equipment for research laboratories.

OPM Director General Knudsen recommended to the Defense Plant Corporation an increase in capacity of the Inland Steel Company through a more advantageous use of existing facilities, and a program to raise production of aircraft bearing tubing and tank-tread pins and bushings.

At a conference of the new Engineers' Defense Board it was revealed that an estimated 128,197 tons of copper was available to meet demands for more than 150,000 tons in the current month.

Spreading the work

Three special trains sent out by the Contract Distribution Division left Washington on a tour of the country to help spread defense work among more manufacturers. An additional step in the direction of more even work distribution was an order of the Priorities Division requiring rubber processors with scattered plants to report how they have apportioned their supplies to the various communities.

A new survey by the OPM Bureau of Research and Statistics indicated that the volume of all construction in 1942 may be greater than in any other year since 1930, with the exception of 1941, despite the difficulty of building in non-defense areas.

Cooperative defense homes

The Division of Defense Housing Coordination announced a plan whereby low-salaried defense workers may organize cooperatives and apply to the Federal Housing Administration for mortgage insurance up to 90 percent.

The Priorities Division restored oil burners to "good standing" in defense housing on the Eastern Seaboard, and added three to the list of defense housing "critical areas."

Price Administrator Henderson denied, in a speech, that he has "secret designs" to curb advertising.

Nylon hosiery prices investigated

An intensive investigation in the Nylon hosiery field was undertaken by the Office of Price Administration, because of price increases which were termed unwarranted. OPA also set a ceiling on prices of carbon and low-alloy steel castings, used by virtually every industry in the United States, and on manufacturers' and jobbers' prices of a wide variety of builders' hardware; persuaded the leading purchaser of crude oil in North and North Central Texas to withdraw an increase of 7 cents a barrel; obtained voluntary stabilization in price of upholstery furniture fabrics; sped its work on a ceiling for copper wire and cable; discussed with the trade a schedule of maximum prices on bed sheets; and asked producers of drop forgings made of steel and steel alloys not to exceed October 10 prices.

OPA prepared to set up headquarters in San Francisco to enforce the iron and steel price schedule in the West, after a check disclosed numerous evasions.

How to organize an effective blackout was told in a 60-page illustrated pamphlet prepared by the War Department and issued by the Office of Civilian Defense.

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Nylon hosiery price increases may result in ceilings; intensive study under way

Intensive study of the price situation in the Nylon hosiery field is being undertaken by the Office of Price Administration as a result of unwarranted price increases which have occurred in the past few weeks, Administrator Henderson announced November 14.

A questionnaire seeking price history and production data was to be sent out within a few days. The question of whether a price ceiling is necessary will be determined after study of this data.

Prices ranging up to \$16 or \$18 per dozen pairs have been charged by some manufacturers and jobbers in recent weeks as compared with prices several dollars below these levels sometime ago.

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Mediation Board's CIO members resign as union shop demand is rejected

All CIO members and alternate members of the National Defense Mediation Board resigned last week when the full Board refused to recommend a union shop in captive mines supplying the steel industry. Subsequently, 3 days of negotiations at the request of President Roosevelt were broken off November 16 and it was announced the miners would go on strike the following day.

At a press conference November 10, Chairman William H. Davis announced the decision of the full Board in the dispute between the United Mine Workers of America and the steel companies which operate the captive mines. By a vote of 9 to 2, the union's demand for a union shop in the captive mines was rejected. The two members who voted in favor of the union shop were Philip Murray, president of the CIO, and Thomas Kennedy, secretary-treasurer of the UMWA. The nine members voting against granting the union shop were Mr. Davis, chairman, Frank P. Graham, vice chairman, and Charles E. Wyzanski, Jr., representing the public; Cyrus Ching, Walter Teagle, Roger Lapham, and Eugene Meyer representing employers; George Lynch and William Calvin, both AFL members representing employees. The text of the recommendation is as follows:

We therefore recommend, That the United Mine Workers of America and operators involved in this dispute proceed immediately to sign the Appalachian Agreement, with the reservation that the provision of the Appalachian Agreement which requires membership in the United Mine Workers of America as a condition of employment, be inoperative for the duration of the contract.

Murray and Kennedy resign

The following day, November 11, Mr. Murray at a press conference announced that both he and Mr. Kennedy had written to the President resigning from the Board because they no longer could feel confidence in its actions after the decision rejecting the union shop for the captive mines. Their resignations were followed by those of all the CIO alternate members of the Board in protest against the decision.

On November 12, the President invited the executives of three steel companies, together with UMWA President John L. Lewis and Messrs. Murray and Kennedy, to appear at the White House November 14 for a conference. Benjamin Fairless of U. S. Steel, Eugene Grace of Bethlehem Steel, and Frank Purnell of Youngstown Sheet and Tube Co. were all present

at the conference, as well as the CIO leaders. At that time, President Roosevelt asked that production of coal continue without interruption.

President approves Board's decision

He requested that meetings begin at once and continue at least until November 17, when he wished to be informed of any decision reached or of what progress had been made. The President also told the conferees that he approved the Board's decision not to compel the nonunion employees in the mines to join the union. The President said in part:

"I tell you frankly that the Government of the United States will not order, nor will Congress pass legislation, ordering a so-called closed shop. It is true that by agreement between employers and employees in many plants of various industries the closed shop is now in operation. This is a result of the legal collective bargaining, and not of Government compulsion on employers or employees. It is also true that 95 percent or more of the em-

ployees in these particular mines belong to the United Mine Workers union. "The Government will never compel this 5 percent to join the Union by a Government decree. That would be too much like the Hitler methods toward labor."

In accordance with the President's request, the parties immediately opened direct negotiations. After 3 days, these negotiations were broken off November 16 with the announcement that no agreement had been reached and that production would cease at the mines Monday.

In the meantime, the withdrawal of all CIO members from the Board held up hearings on two cases last week and further delays in other hearings were expected. In both the International Harvester and Bell Aircraft cases where CIO unions were involved, postponements were requested and granted.

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STRIKELESS CALENDAR

For the first time in its history, the National Defense Mediation Board went through the week without a strike on its calendar. Further details, page 28.

OPM orders all magnesium in any form reported and held for defense uses

The Office of Production Management moved November 14 to channel into direct and urgent defense production all magnesium in the country not now being so used.

General Preference Order M-2-b, issued November 14 by the Division of Priorities, directs that all magnesium and magnesium products, in whatever form or by whomever held, not now being used to fill defense orders with ratings of A-1-j or higher, be reported to OPM before November 30, 1941, and be held for sale to a producer or an approved smelter so that the metal will become available for defense uses.

Magnesium has been under priority control since March 24, 1941. The new order, however, greatly strengthens and expands the control.

New plants ready next summer

Major reason for the new order, it was explained, is that stocks of magnesium exist in the country in the form of scrap, finished and semifinished products, powder, and discarded products made principally of magnesium. These must

be located and acquired for defense purposes. Stocks so acquired will be used to fill immediate demands for the metal for such uses as plane construction and the manufacture of incendiary bombs.

New magnesium plants now building are expected to get in production by the summer of 1942 and the present order is designed to relieve the shortage until that time.

Complete allocation provided

The order provides for complete allocation of all magnesium by the Director of Priorities on a monthly basis.

An unusual provision of the order is one that holds agents, bailees, and warehousemen responsible for reports of magnesium and magnesium products that may be under their care.

Contamination or debasement of magnesium is forbidden, and scrap owners or plants producing scrap are ordered to collect, label, and segregate it.

The usual clause providing for special consideration if unusual hardships are caused, is contained in the order, and all exceptions to the general provisions are left to the discretion of the Director of Priorities.

PRIORITIES . . .

Production of light trucks for civilian use cut 35.9 percent for January 1942

Production of light trucks for civilian use in January 1942 will be curtailed 35.9 percent below output in the same month this year under an order November 14 by Priorities Director Nelson.

Companies manufacturing both passenger cars and light trucks (those less than 1½ tons) may exceed the ceiling on truck output, provided passenger car production is correspondingly reduced so that combined quotas are not exceeded, under a provision in the orders.

This substitution arrangement has been in effect on an informal basis as the result of oral permission granted the industry by Leon Henderson, director of the Division of Civilian Supply.

No critical materials for trim

Mr. Nelson's order extending the light truck production program from December 31, 1941 to January 31, 1942 includes a ban on the use of critical materials in bright finish or body trim after December 15 of this year. An identical prohibition recently was announced for passenger cars. Materials affected are copper, nickel, chrome, and aluminum.

At the same time, Mr. Nelson issued orders extending from December 31 to January 31 the replacement parts program for passenger cars and light trucks. These orders—L-4-a and P-57—set a top quota for spare parts production and grant priority assistance in obtaining materials needed to assure continued operation of passenger cars and light trucks now on the roads.

Manufacturers produced 37,730 light trucks for civilian use in January, this year. The maximum output allowed for January 1942 is 24,169, a reduction of 35.9 percent.

Maximums not guaranteed

Light truck production in the 6 months, August 1, 1941 to January 31, 1942, will be 145,018, compared with an output of 171,260 in the corresponding period a year ago, a curtailment of 15.3 percent. The program is designed to bring about a 30 percent reduction for the full model year as compared with the previous model year. There is no guarantee, of course, that sufficient materials will be available to permit manufacturers to produce the maximums allowed.

Order L-4-a provides that a producer

of spare parts for passenger cars and light trucks, as defined in Limitation Order L-4, may make during January one-third the number of parts sold by him for replacement purposes during the period from January 1, 1941, to March 31, 1941. This means that during the first month of 1942, he will be operating at the same high rate as during the first 3 months of 1941, when production had increased substantially over 1940.

In determining the number of replacement parts which he may produce in January, he may exclude from his calculations all parts sold during the first 3 months of this year to the Army and Navy, certain other Government agencies listed in Limitation Order L-4, and to the governments of those countries whose defense the President deems essential to the defense of the United States.

Limited Preference Rating Order P-57 is extended until January 31 so that an A-10 rating will continue to be assigned to deliveries of materials necessary to carry out the program.

\$10,000,000 of machine tools allocated to Russia

Acting upon recommendations of Lend-Lease Administrator Edward R. Stettinius, Jr., the Priorities Division, OPM, has taken action designed to promote a steady flow of American-made machine tools to the Russian Government.

Special Allocation Order No. 1 has been served on approximately 35 machine-tool manufacturers in this country. The order directs that the manufacturers receiving it accept specified purchase orders placed by the Amtorg Trading Corporation, on behalf of the Russian Government, provided that Amtorg meets regularly established prices and terms of sale. Manufacturers are further required to make deliveries on these orders on the dates specified.

It is estimated that purchases under this order will represent between \$10,000,000 and \$15,000,000 worth of tools.

The importance of the order is indicated by a provision that no preference rating, urgency standing, or other order issued by the Priorities Division, is to interfere with delivery of the machine tools earmarked for Russia, unless it shall so specify.

Rebuilders of machine tools for defense given A-1-c rating for scarce materials

Rebuilders of machine tools have been granted the assistance of a preference rating of A-1-c in acquiring necessary scarce materials, it was announced November 10 by the Priorities Division. The order is effective immediately.

Rebuilders are defined as those who rework or replace worn or missing parts, test the repaired tool under power, and guarantee its performance for a period of not less than 30 days.

The materials to the acquisition of which the preference rating may be assigned are listed in Exhibit A to the order. They are:

Motors and other electrical accessories; iron, steel, brass and bronze castings; alloy and carbon steels in bars, forgings, castings, shapes and tubes; cutting tools, including cemented carbides; abrasives; measuring instruments and gages; brass, copper and steel tubing and fittings; oil resisting hose; bearing metals; anti-friction bearings, and machine parts and accessories.

Rebuilders benefiting by the order may make deliveries of rebuilt machine tools only to fill defense orders, as defined in the order.

One paragraph of the order provides that any purchase order for rebuilt machine tools placed by a manufacturer to enable him to complete defense orders which he has on hand is to be considered a defense order. A rating of A-10 is assigned to such orders, unless a higher rating had been granted previously. The rebuilder, before making delivery in such cases, should require his customer to certify in writing that he requires the tools to fill defense orders.

The A-1-c rating may be applied by the rebuilder by executing an acceptance of the preference rating order and filing it with the Division of Priorities, and furnishing one copy, with the acceptance executed, to each of his suppliers. The order is not extendible, and may not be applied by a supplier.

A-3 ratings aid production of conveyors and of elevator, escalator repair parts

Two plans to facilitate production of materials for repairs to elevators and escalators and for construction of conveyor machinery were issued November 11 by Priorities Director Nelson.

The orders are P-72 and P-78. They permit application of A-3 preference ratings to deliveries of the necessary materials for production, with certain restrictions. Both became effective November 10 and will expire January 31, 1942. The orders are to be used by the producers of the items covered and their suppliers.

Direct allocation in future

In letters to affected producers, Mr. Nelson said the orders will not be extended in their present form, and that it is the intention to base future assistance of this kind on a system of direct allocation of materials. This is in line with the policy of the Supply Priorities and Allocations Board.

Preference Rating Order P-72 is designed to assure production of parts necessary to repair and maintain the country's 225,000 elevators and escalators.

The A-3 rating applies only to materials on the current priorities critical list to be physically incorporated in repair and maintenance parts for passenger or freight elevators or escalators.

This rating may be applied by the producer of such parts or his supplier, after an acceptance of the order's terms has been filed with the industrial and office machinery branch of the Division of Civilian Supply.

Cannot be applied to accumulate inventories

The rating cannot be applied to accumulate inventories, obtain materials not used in repair parts, obtain more materials than were consumed during the year ending September 30, 1941, nor if the materials are available without a rating.

Conveyors important to defense

The conveyor producing industry is in a different category from the elevator and escalator industry. Its work is overwhelmingly defense and its backlog of defense orders is increasing rapidly. The industry now is operating generally under individual preference ratings, but because of the many parts required for custom-

built materials, the placing of orders and deliveries has been slowed down under this system.

All types covered except platform

All types of conveyors, except platform elevators, are covered by order P-78. The industry produces the transportation tools used in and around mines and manufacturing plants.

The A-3 Preference Rating cannot be used for deliveries of any material containing aluminum or magnesium, and can be applied only to the following items: Castings and forgings; sheets, bars, shapes, plates and tubing (ferrous, non-

metallic and nonferrous to the extent permissible under the terms of conservation order M-9-c, generally known as the copper order); electrical equipment and accessories; mechanical equipment and accessories; cutting tools, including cemented carbides, and necessary maintenance and shop supplies.

The rating may be used by producers and suppliers after an acceptance form similar to that governing the elevator and escalator industry has been filed with the industrial and office machinery branch.

Reports required

Restrictions on use of the rating are similar to those set forth in the elevator and escalator order. Customary reports are required.

Repair, maintenance priorities extended to more industries by amended order

A number of amendments to Preference Rating Order P-22, covering repair, maintenance, and operating supplies, were announced November 10 by the Priorities Division.

Amendment A embodies three changes, designed to assist important industries heretofore not specifically covered by the order.

Provides for transportation

The first of these changes brings natural gas, and hydrocarbons associated with petroleum, under the terms of the order, and extends its assistance to the transportation as well as the production of these items. This means that pipelines, railroads, and truck fleets engaged in moving the products of the petroleum industry, may now apply the A-10 rating to the acquisition of necessary repair and maintenance parts and operating supplies. Petroleum production was covered in the original order.

Another change brings within the terms of the order privately owned irrigation systems, toll bridges, and toll canals. Previously, units within these categories were assisted only if they belonged to governmental units.

A third paragraph extends the assistance of the order to those using tools or equipment to repair or maintain the property of other producers. Priority assistance is thus extended to independent contractors and others, such as ma-

chine and repair shops, blacksmiths, and similar repair and maintenance operators.

Restrictions on operating supplies

Amendment B defines operating supplies as before, but rewords the definition to state that such supplies shall not include "any material which the producer acquires solely to distribute, store, or transport."

Amendment C makes two important changes. It deletes the provision of the previous order which refused assistance in replacement of equipment by improved equipment, and prohibited replacements "unless such existing installation is beyond repair." It has been found impossible, and in many cases undesirable, to require replacement with equipment exactly like the old. The procedure frequently held the producer to the use of antiquated equipment, and sometimes made it impossible for him to obtain any replacement equipment at all.

Changes exemption methods

Amendment D changes the method by which exemption of various industries from the restrictions on deliveries, withdrawals, and inventories, may be granted.

The order excepts public utilities from the terms of P-22, if they are covered by Preference Rating Order P-46, as amended from time to time.

Mines not receiving the assistance of the mine repair order may benefit from the terms of Preference Rating Order P-22.

Principles of allocation system explained by priorities executive officer

Principles of the new allocation system, which is being evolved to control distribution of critical materials throughout industry, was described by A. C. C. Hill, Jr., executive officer, Priorities Division, before the Ohio Chamber of Commerce in Toledo November 13. Excerpts from his speech follow:

Seventeen months ago, when our defense program first got under way, many thought that the big problem was how such a program could be fitted on top of the regular business framework of our economy.

Today the problem is different. It is to find to what extent and in what manner the regular business framework can be fitted on top of the defense program.

The problem has changed because the defense program has grown tenfold since the middle of 1940. And with that growth our whole attitude toward the problems brought by this great readjustment has changed accordingly.

Our effort is the greatest which we as a people have ever undertaken. It must of necessity be of stupendous magnitude to make certain that our future development will take place in a world wherein a free economy and a free people can live and prosper.

Shortages caused by joint demand

Our big difficulty arises because of the quite unavoidable fact that there is not enough of any one of the great, basic raw materials to meet both the military demand and the demand which our civilian economy makes under the pressure of a wartime boom.

The defense program is not the sole cause of these shortages. They are caused by the defense program *plus the increased civilian demand*. The combination, then, of this augmented civilian demand coming up to the source of supply hand in hand with the biggest armament program ever dreamed of, creates a joint demand far greater than we can possibly meet. The result, of course, all up and down the line, is shortages.

Those shortages are real and not imaginary—present and not future. There is enough of everything for defense needs. But when defense needs have been met there is not enough left for civilian demand.

The ratio of civilian demand to available supply for aluminum is ten to one. There are three customers for every ton

of copper, four for every ton of brass, two for every ton of steel—and in greater or lesser degree the same kind of ratios apply to all of the other critical metals, to most of the important chemicals, and to many of our basic fibres.

Adjustments by series of controls

In a word, then, the problem which our great defense effort has caused, directly and indirectly, is shortages; and the two techniques which we use to make adjustments to these shortages easier are a series of controls known generally as *priorities*, and *allocations or rationing*.

In a situation like the one I have described, Government controls are absolutely essential. For the protection of all of us, controls must be applied wherever and whenever a serious shortage develops.

The first chapter in these controls is the priorities system. Fundamentally, priorities is a method of rating the comparative importance of orders, so that those orders which are most essential to the Nation can be filled ahead of those which are less essential. Basically simple, this network of priorities ratings inevitably becomes highly complex when the number of competing demands becomes too great. Sooner or later, priorities ratings undergo a process not unlike the depreciation of currency which takes place in a time of inflation. To insure the filling of an order in reasonable time, it becomes necessary to make the rating higher and higher. You get, eventually, to a point where the priorities rating system in itself simply is not adequate to control the situation.

Transition to rationing

We have just about reached that point today. When that happens you have to replace or supplement the rating system with another form of control which some people call *allocation* and others call *rationing*.

Now "rationing" is not a word we Americans are used to. We are used to abundance. It is extremely hard for us to adjust our minds to the hard, unpleasant fact that from now until this emergency ends we are going to be living in an economy of not-enough instead of an economy of too much.

I want to assure you that this transition we are now about to begin is not some fearsome new device to bewilder and perplex you. Eventually it will give

you much greater certainty about the way in which you can operate.

The policies under which the distribution of scarce materials is performed are laid down by the Supply Priorities and Allocations Board. This board just a week ago today requested the Office of Production Management to move as expeditiously as possible into a system of allocating the critical materials throughout American industry. The job, of course, is so vast and far-reaching that it will doubtless be months before it is in full operation.

This allocation program must rest on a foundation of knowledge about what our total national requirements are going to be. Obviously, you cannot allocate steel or any other metal until you know, first, what our military demand is and, second, what the different steel-using civilian industries are going to need.

Reports of needs being gathered

SPAB has taken steps to get the information necessary. Reports on military requirements for the coming year are being submitted by the Army and Navy. Similar reports from the lend-lease authorities and export control agencies will presently show how much we shall need to send overseas. These reports will be broken down in terms of raw materials. Within a comparatively short time, OPM will have a pretty accurate picture of the tonnages of all these materials which will be needed to meet the purely military part of our program.

Suppose, now for the sake of an illustration, that this picture eventually shows that we shall need 35 million tons of steel for military purposes during 1942. By subtracting this military demand from the amount available, it will be simple to discover how much steel there will be to meet all of the requirements of the civilian economy. It will remain, then, to determine how much steel the different steel-using industries require, and to adjust their production schedules so that the total of their requirements will not exceed the total supply.

Broadly speaking, that will be worked out in this way.

There are in the Office of Production Management a number of industrial branches, each one having jurisdiction over certain related industries. Let us say that we wish to know what sort of a schedule will be needed for the makers of agricultural machinery. There is an agricultural machinery unit in the OPM Division of Civilian Supply. The officials of that branch start by getting the

best possible picture of that particular industry's normal requirements. They consult the industry itself, through the defense industry committee; they consult the Department of Agriculture and every available source; they will spare no effort to learn accurately the quantities of various materials which this industry has used in past years, the amount it would use in the coming year if the available supplies were unlimited, the number of plants in the industry, the number of workers, and so on.

Cross-checked with other branches

Thus a tentative schedule of requirements can be drawn up, keyed to various levels of defense activities. This schedule will then be cross-checked with the other OPM branches and sections having jurisdiction over the needed metals—copper, steel, lead, tin, and the like. In the fairest and most intelligent way possible, these officials will work out the quantities of materials which this industry may use during the coming year without consuming more than its proportionate share of the available supply. This schedule will also be studied by the Industrial Conservation Branch of OPM. There doubtless will be further conferences with the industry, to see where savings in materials may be made through simplification of styles and lines, through salvage and reclamation or through any other conservation measures.

A program thus evolved will be the product of the best attention which the industry and the Government can give it. It will be worked out with due regard to the need for the product involved, to the way in which curtailment will affect employment, to the extent to which factories formerly engaged in the manufacture of this product can be converted to the production of defense goods, and so on. Then the program will be presented to SPAB for final modification or approval.

Priorities will supplement allocations

When approved, the program will be made effective by the OPM Division of Priorities, either through outright allocations or through the issuance of the required priorities ratings—for it is important to remember that the fact that we are going into an allocations system does not mean that there will be no more priority ratings. They will remain to supplement and implement the allocations system.

I think it is clear that there will be great advantages from operation under this kind of system. The fundamental advantage, of course, is that the national

economy can be dealt with as a whole, and each separate industrial program can be worked out with due regard for its place in the economy. The immediate, practical advantage to the industrialist, likewise, will be that he will be able to know pretty exactly what he is up against. It may be necessary to curtail his operations, but he will know ahead of time what the curtailment is going to amount to and can plan accordingly.

But in spite of what we hope will be the advantages of allocation, let us not deceive ourselves. All of this comes under the heading of making the best of a bad situation.

Need conversion for defense

It is of the highest importance for the manufacturer to convert his facilities to the production of defense goods if he can possibly do so. For while we are obliged to curtail civilian production, we need all of the defense production we can get.

There is a problem of peculiar importance for the small manufacturer. It is harder for him to shift over to defense production than it is for the big manufacturer. We are determined that this defense effort shall not result in the crushing of small business; we are fully aware that the defense effort *needs* the small manufacturer as well as the large one.

But, no matter what the handicaps are, it is up to the small manufacturer—and to the big one also, for that matter—to exercise every bit of ingenuity and grit he has, and that he should not assume that he can be brought through this crisis only via action by the Government.

Small man must stand on own feet

We live under a system of free enterprise, of private competition. Now as never before it is vital for the small manufacturer to make every conceivable effort to stand on his own feet. If it is possible for him to make things for defense it is up to him to exercise his own aggressiveness in seeking orders—whether he goes after direct Government contracts or wants subcontracts.

Not every small manufacturer is going to be able to get defense work to do. There are shops and factories in which things just can't be made that the Government needs. There are, as a matter of fact, quite a number of these establishments, and the livelihood of a great many Americans depends on them. We are not going to simply plow blindly ahead and ignore such Americans.

As a remedy, it has been suggested that the Government simply rule, arbitrarily, that some materials be made available for all manufacturing establishments under a certain size, on the ground that their continued survival is essential to our economy's future health and to the welfare of the people as a whole. I can agree with the latter premise, but I do not see how a blanket, over-all lumping together of small manufacturers in that manner could possibly work. For one thing, the materials simply are not available to do it that way. This defense program is a life-or-death matter; the small manufacturer would be making a disastrously bad bargain if he bought his survival during the next two or three years at the price of his country's own safety.

Furthermore, there are large as well as small factories which can't convert to defense production. The owner of a large factory can go just as broke as the owner of a small one; I believe that it will be possible, when we make our allocations of essential materials, to set aside a small pool of each material for hardship cases. From that pool, materials can be made available to manufacturers whose shut-down would inflict a genuine hardship on the community.

On a "play-no-favorites" basis

Yes; we are going to have to make sacrifices; we are going to be irked by heavy controls and restrictions; we are not going to be able to run our businesses or even to live our daily lives as we might wish to do. Yet we are going, because of this, to come through this emergency in good shape. We are going to come through it all with the fundamentals of our American society undamaged.

I can't promise you that we in Washington have the wisdom and ability to guide this defense program in such a way that none of you will suffer loss. I can promise you, however, that this program will be conducted on a play-no-favorites basis, that no controls will be put upon you except those which are absolutely necessary and which are in your own interest, and that we will do our level best to keep you fully informed about what is being done and the reasons why it is being done.

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ORDERS AND FORMS

A complete list of priority orders issued through early November and the forms used in relation to them appears on page 26.

Makers of wooden, paperboard containers get priorities for needed hardware items

In a move to facilitate the operations of the cooperage and wooden container industries, and also to lend assistance to the production of paperboard containers, the Priorities Division November 14 issued Preference Rating Order P-79, extending to manufacturers in these fields priority assistance in obtaining the necessary hardware, including wire and nails, saws, knives, and other tools.

Makers of all types of wooden barrels and kegs, and containers made from sawed lumber, veneer or plywood, and of paperboard containers, are included within the terms of the new order, which became effective November 14. It is believed that this assistance will greatly stimulate the substitution of these forms of packages for metal containers, and effect a considerable saving in the amounts of critical materials currently consumed in packaging.

A-5 assigned to ferrous material

A rating of A-5 is assigned to the deliveries of ferrous material, defined in the order as "any products made principally from iron or steel," except wire, to delivery of which an A-8 rating is applicable.

A producer, to apply the preference rating to deliveries to him, must sign an acceptance of the order, and file it with the Priorities Division, and furnish an unsigned copy to each of his suppliers with whom he has placed a purchase order for ferrous material. The supplier, in turn, may extend the order in the same fashion to obtain material to be physically incorporated in his deliveries to his customer.

Rating restricted

The producer, or supplier, making use of the order must endorse the following statement, "Purchase order for ferrous material, preference rating _____ pursuant to Preference Rating Order No. P-79," on the original and all copies of each purchase order.

The producer is restricted in the application of the rating to those quantities and kinds of ferrous material specifically authorized for rating by the Director of Priorities on PD-82, and for the purposes authorized by the order.

Copies of the order and the necessary forms, together with instructions for mailing applications for assistance, will be mailed to some 3,000 manufacturers of wooden containers.

Makers of laboratory supplies given A-5 rating on materials

In a move to broaden the assistance already extended to research laboratories, the Priorities Division issued an order November 15 assigning a preference rating of A-5 to acquisition of the scarce materials required by manufacturers of the necessary laboratory chemicals and equipment. The order is effective immediately.

Applies to packaging too

Producers who supply laboratories engaged in research, testing, analysis, and in plant-control studies, as well as clinical and academic (college and high school) laboratories, are covered by the order. The rating is applicable to material required for packaging the equipment for delivery, as well as to those elements entering into its manufacture.

May be extended to supplier

A producer to whom the order has been issued may extend it to a supplier, if necessary, by executing an additional copy in the manner prescribed.

A previous order, P-43, extended to certain accredited laboratories engaged in scientific research a preference rating of A-2, and is applicable to orders placed by them for essential materials. The new order, however, specifically aids producers of certain equipment which the laboratories require.

OPM orders firms with scattered plants to report apportionment of rubber

Defense authorities acted November 12 to determine if rubber, one of the most vitally needed defense materials, is being equitably distributed among plants throughout the country.

Priorities Director Nelson ordered rubber processors operating plants in more than one community to file reports within 15 days on distribution among individual plants during July, including rubber released by the Rubber Reserve Co. (RRC).

Effect on communities studied

If the ratio of distribution in subsequent months differed materially, the processors must submit full reports showing clearly the reasons for the change. All reports must be filed with the rubber and rubber products branch of OPM's Division of Civilian Supply.

"In any case in which it appears that such change in ratio was not justified or proper," the order states, "the Office of Production Management will take such action as it may deem appropriate."

By this order, OPM will have closer scrutiny of rubber distribution by large processors operating plants in several communities, and will be able to determine if there have been instances of distribution on so uneven a scale as to result in severe labor displacement in any one community, or in any unnecessary reduction in the manufacture of rubber products.

July was selected as the base because it was the month General Preference Order M-15 became effective and rationing began.

Under Order M-15, each processor was required to cut his crude rubber consumption in July to 99 percent of his monthly average during the 12 months ended March 31, 1941. Using the same 12 months as a base, consumption subsequently was ordered held to percentages each month below that permitted in July.

Discussions are in progress on plans for extending the program beyond December.

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Steel buyers must file PD-73 to avoid delay in shipments

Purchasers of steel face delay in receiving shipments if they fail to file Form PD-73 with producers, they were warned November 14 by the Iron and Steel Branch, OPM.

Under Steel Order M-21, it is unlawful for producers to make shipments after October 15, 1941, if the producer does not have a copy of PD-73 covering the order. A number of shipments are now being held up, the branch disclosed, pending receipt of forms by producers.

Form PD-73 provides for complete information by the customer as to the classification of steel ordered, its ultimate use, completion date of contract for which the material is required, and other pertinent data.

Phenols placed under complete allocation system

A complete allocations system covering phenols is provided for in an order issued November 10 by the Director of Priorities. The order is an amendment to General Preference Order M-27 which originally imposed a milder form of control on phenols August 30.

Under the terms of the new order, the Director of Priorities, on and after December 1, will give specific directions each month as to shipments of phenols.

Inventory report required

Regulations of Priorities Regulation No. 1 generally will apply, according to the amendment, and a special inventory report is required for all persons, except producers, who have more than a 30-day supply on hand, based on the year ending September 30, 1941.

A preference rating of A-10 is assigned to all defense orders not otherwise assigned.

Reason for the order is a current shortage caused by the increased use of plastics in aircraft production and heavy military export demands. New phenol plants now under construction will not be in operation for 3 or 4 months.

The order applies to phenols of all grades and all related products.

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Appeal form PD-167 provided for copper hardship cases

Donald M. Nelson, Director of Priorities, announced November 12 that a special appeal form has been provided for manufacturers whose operations come under the special hardship clause of Copper Conservation Order M-9-c.

The new form, PD-167, may be obtained from any Priorities Division field office or by writing to the Priorities Division in Washington. Any appeal made must be filed on this form and must be mailed to the Director of Priorities, Reference M-9-c, Washington, D. C.

Most of the hardships arising under the order are unavoidable.

In considering appeals, the Priorities Division will take account of such factors as sudden and harmful dislocations of employment and freezing of inventories which are in process and which would become useless if the process were not completed.

Almost all grades of paper affected by order decreasing use of chlorine

A decreased use of chlorine in the manufacture of pulp, paper, and paper-board, effective immediately, was ordered November 15 by the Director of Priorities, in General Limitation Order L-11.

The result will be less whiteness, or "brightness" in the idiom of the paper trade, in practically all grades of paper. The changes will be noticeable, it was said, on close examination but will not be observable on casual inspection.

In general, all grades of paper will correspond to the standards of 1931-32. Since that time increased use of chlorine has resulted in whiter papers.

Chlorine is used as a bleach in the manufacture of paper and pulp, eating out all foreign matter and increasing the white quality. In some of the lower grades of paper now in use, where the cuts in the use of chlorine are heaviest, a slightly yellow cast may result.

Save 60,000 tons annually for defense

It is expected the order will save 60,000 tons of chlorine a year, which is half the new chlorine entering the paper-manufacturing industry annually. All of the chlorine saved will go directly into national defense uses.

Chlorine enters into many phases of defense production. Among its important uses are: in the manufacture of plastics for degaussing cable used to make

ships immune to magnetic mines; in the manufacture of waterproofing paraffins for canvas; as a solvent in armament plants; in the manufacture of guncotton; as a coolant for liquid-cooled airplane engines; in the manufacture of nonfreezing dynamite; and in chemical warfare.

All grades affected except newsprint

Practically all grades of paper are affected by the order, with the exception of newsprint, in which no chlorine is used. Brightness ceilings are provided, ranging from a cut of 4 points in 100 percent rag-content writing paper to total elimination of chlorine in groundwood, the grade commonly used in "pulp" magazines and books. Bleaching also is eliminated for most bags, sacks, and wrapping paper and for speciality papers, such as sandpaper base.

The order does not apply to stocks on hand produced prior to the applicable dates of the order. No restriction is placed on the use of chlorine for sanitary purposes. Producers who manufacture their own chlorine are required to comply with the terms of the order.

Regulations are set up on a quarterly period basis, with various percentages fixed for the use of chlorine as compared to the 3-month period ending July, 31, 1941.

Methanol control tightened to increase flow to plastics

The Office of Production Management November 12 imposed additional control over methyl alcohol (methanol) in a move to increase its flow into the manufacture of plastics.

In an amendment to General Preference Order M-31, issued by the Division of Priorities and effective November 12, these steps were taken:

1. Ratings of B-4 were assigned to deliveries of natural origin methyl alcohol to be used as a denaturant for ethyl alcohol.

2. The same rating was assigned for deliveries of synthetic methyl for general chemical manufacture, including formaldehyde for nondefense uses specified in General Preference Order, M-25.

3. Acceptance of these orders, subject to general priority regulations, is required.

4. Preference rating B-8 is assigned to deliveries of methyl alcohol for use as an antifreeze and as a general denaturant and solvent.

These steps have the effect of preventing the delivery of methyl alcohol for antifreeze and other purposes until and unless the higher-rated needs have been taken care of.

5. Deliveries of methyl which will increase inventory beyond a 30-day supply at current rate of use is forbidden.

General Priorities Regulation No. 1 is made applicable to all transactions in methyl alcohol.

General Preference Order M-25 relates to the use of formaldehyde and synthetic resins in the manufacture of plastics and assigns ratings to nondefense uses of plastics after defense orders have been filled.

PRICE ADMINISTRATION . . .

Henderson denies hostility to advertising or participation in talk of "curb"

"If I have a point of view about advertising," Price Administrator Henderson told the American Association of Advertising Agencies on November 13, "it is that under the sort of expanding economy I would like to see *there should be more of it.*" Furthermore, he said in his Hot Springs, Va., speech, he has not taken part in any talk of "curbing advertising" to control inflation and production.

Excerpts follow:

Some of your trade publications and other sources have ascribed to me a point of view about advertising. The clear inference has been that I am a charter member of some little cell of conspirators whose main purpose in life is to alter, reform or perhaps destroy advertising as we know it. The fact is that I have never had the opportunity or the occasion to give sufficient research or investigation to advertising to come up with any really informed opinion about it. I have always assumed and I now assume that advertising performs a useful economic function.

Not his job to police outlaws

It's not my job—and for this I am grateful—to undertake to police the abuses of false and misleading advertising. I know I am correct in the assumption that you all subscribe to proper regulation which undertakes to suppress and punish the outlaw and the faker. Our office has already expressed its opposition to "scare" advertising and advertising which emphasizes scarcity.

However, I wish to make one thing clear at the risk of a further invasion of the privacy of my personal economic views. If I have a point of view about advertising it is that under the sort of expanding economy I would like to see *there should be more of it.* That is, more of the right kind.

The truth is that I have for many years advocated a greatly expanded productive economy. This, of course, involves a vastly accelerated production and distribution of consumer's goods. If, as you believe and as I assume, advertising is the cheapest and most efficient selling method, then under more normal circumstances the increased use of proper advertising should accompany the expanding economy which I have always advocated and which I hope will

follow this war. Unfortunately, the "more normal circumstances" to which I have referred do not now exist and our problems must be weighed in the light of extraordinary conditions. However, I wish to emphasize at this point that I am somewhat bewildered by the attitudes that assume I am hostile to advertising because some of your problems happen to come within the scope of the job I am trying to do.

The objective of the Office of Price Administration is to prevent unwarranted price increases. The purpose of the Civilian Allocation Division is to assure the most equitable distribution and the maximum supply of goods for civilian consumption without sacrifice of defense requirements. I have responsibilities in these closely related fields. And it will be my purpose as it has been in the past to discharge those responsibilities in a manner which will maintain the maximum of free choice and judgments by all groups which may be affected.

You don't expect me to tell you that advertising is not going to suffer in this defense program. I wouldn't try to kid professionals. But I can tell you with all conviction that I regard it as part of my job to do what I can to maintain the maximum of civilian activity in our economy consistent with the basic requirements of defense. And I ask you to believe me when I say that since the question has been raised—frankly it never occurred to me until recently—I consider that advertising is included in the category of important civilian activity.

No secret or subtle designs

However, what seems to be concerning some of the advertising profession are my motives. Again let me say for myself—and this goes for my entire organization—that there exist no secret or subtle designs with respect to advertising or any other legitimate business practice.

There is a statement in the prospectus of this meeting that "there has been talk of curbing advertising as a means of controlling inflation and restricting it as a means of controlling production." I cannot deny that as a statement of fact, because as all of you know Washington abounds with "talk" on every subject and perhaps there is no conceivable pro-

posal that has not been the basis of "talk" in Washington. All I can say about this one is that I have not been a party to any such considerations. And if "curbing advertising" as a means of controlling inflation and production had been seriously considered I think I would know about it. Furthermore, I would not want the job of attempting to prevent inflation or limiting civilian production if "curbing advertising" was my only tool. Even if all advertising expenditures were taken into account, according to your industry figures, only 2 percent of the value of all manufactured products is involved.

Not considered a major cost element

It is therefore apparent to me that of all the headaches and nightmares that I can visualize in the future, the question of what to do about advertising is unlikely to confront me as a major problem. It has been our experience so far in the price ceilings we have fixed that advertising has not even been considered as a major cost element. Usually questions of labor costs, transportation, raw materials and other items are fully analyzed and appraised but so far selling and distributing costs have not been urged as a compelling reason for opposing a price ceiling. If some industry whose prices were under consideration did urge increased advertising costs as the basis of challenging a particular price ceiling, we would of course be required to go into the question. But I stand on the statement which I made in my testimony before the House Banking and Currency Committee that our policy would be as a matter of course to take normal selling and advertising costs into account. I stated further then I had no secret reservations about that statement. I repeat it now.

However, it may have been that some of you gentlemen or perhaps it was somebody else who did not accept in full faith my statement of that policy or perhaps it was to make assurance doubly sure that there was written into the Price Control Bill as reported out by the House Banking and Currency Committee the proviso that the powers granted—and I quote: "shall not be used or made to operate, to compel changes in the business practices or cost practices or methods, means or aids to distribution established in any industry, except to prevent circumvention or evasion of any ceiling established under this act." This

language was designed to take care of advertising and I so interpret it.

Advertisers can ease shocks

As Director of the Civilian Supply Division I am supposed to distribute as best I can the materials that the defense program doesn't require. The going is getting tougher. As we shift from the priorities system to an allocations plan it is hoped that a smoother flow of residual materials will go to nondefense industries. Yet we all recognize, terrific shortages are going to continue until the job of licking Hitler is finished. None can escape the impact of the increasing utilization of materials and productive capacity for armaments. It is my hope that you in the advertising profession will accelerate your efforts in helping the country understand not only the necessity for adjustments but to devise methods of easing the shock. Much has been done in the field of substitution for consumers' goods for which defense needs have created a shortage. I have been impressed by advertising copy and radio announcements which emphasize conservation and other helpful methods of bridging the gap. I am certain that your ingenuity and talents will continue to develop new schemes that will be of real assistance to consumers and manufacturers during the difficult days ahead.

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San Francisco office to handle scrap enforcement in West

Headquarters will be established in San Francisco early in December to oversee administration and enforcement of the iron and steel scrap price schedule in California, Oregon, Washington, and adjacent States, OPA Administrator Henderson announced November 14.

Two OPA officials, William S. Whitehead, representing the Price Division, and Harold Swope of the Legal Division's Enforcement Section, were to arrive in San Francisco November 17, to begin preliminary work.

Evasions disclosed

Test checks made over the past several weeks have disclosed numerous cases of evasion of the price schedule, Mr. Henderson said. Because of the distance involved, it is felt that many of the problems incident to administration and enforcement of the schedule's provisions can be handled effectively from the field.

The new San Francisco office will be in the Newhall Building, 260 California Street.

Iron and steel scrap reporting systems combined by OPM, OPA, Bureau of Mines

A merger of iron and steel scrap reporting requirements was announced jointly November 13 by the United States Bureau of Mines, the Office of Production Management and the Office of Price Administration.

Forms PD-149, 150 and 151 were issued to cover the entire field of iron and steel scrap reporting. All three forms are returnable to the Bureau of Mines, at Pittsburgh, Pa., and not to either the OPM or OPA.

Questionnaires sent out during November are designed to cover the October operations of scrap producers, dealers, brokers and consumers. They must be returned to the Pittsburgh bureau by November 20. Further monthly report forms will originate in the Bureau of Mines.

For distribution and price control

Purposes of these reports are twofold:

(1) To develop a general policy for the distribution of scrap under General Preference Order M-24.

(2) To assist in price control of scrap.

The current serious shortage of scrap and the urgencies of the defense program dictate that the forms be given prompt and serious consideration.

Form PL-149 applies to producers. Any person or corporation producing at least fifty gross tons of iron and steel scrap during October must file a return. Figures on stocks, shipments, estimated production, sales and unfilled orders,

all by grade, must be reported for each plant or location. If the producer is also a consumer of scrap he files only a consumer's form (PD-150).

Combined form for consumers

Form PD-150 applies to consumers. It combines the former OPA Form 104:8 revised and the Bureau of Mines Form 6-830a MC. It calls for figures on stocks, production, receipts, delivered prices and consumption, all by grades.

Form PD-151 applies to dealers and brokers. It replaces the Bureau of Mines suppliers' form 6-830a MD, and covers stocks, shipments, purchases, sales, unfilled orders and shipments, all by grade.

The one-time survey of alloy steel scrap provided in Form 144 issued by the OPM has been put on a monthly basis by including all alloy scrap grades in the revised questionnaires.

Must get papers if not received

Failure to receive forms, it was announced, does not mean exemption from reporting but rather places an obligation on the producer, broker or consumer to obtain them on his own initiative. They may be obtained from the office of the Bureau of Mines at Pittsburgh, or from any field office of the Division of Priorities, OPM.

All forms may be reproduced. They are returnable to the Bureau of Mines at Pittsburgh and all inquiries concerning them should be addressed to that office.

Steel companies asked for data on "dislocated tonnage"

Steel companies are being asked by OPA to submit data, in terms of tonnage and dollar value, on shipments of steel under the "dislocated tonnage" provisions of Price Schedule No. 6, Administrator Henderson announced November 13.

"Dislocated tonnage" means steel shipped by producers into areas not customarily served by them. Such shipments are now being required by OPM in order to facilitate progress of the defense program. This in effect requires a modification of the basing point system used in the steel industry under which the price of steel at a given destination is ordinarily the same regardless of the mill from which it is shipped. This simi-

larity of price is achieved by the more distant mills paying varying portions of the freight charges depending upon their distance from the customer.

Such unusual shipments of steel as required by the defense program would ordinarily require some mills to pay an excessive amount in freight on shipments to distant points. In order to meet this situation Price Schedule No. 6 was revised by OPA on June 20 to permit the mills to pass on to customers a portion of the freight charge on such "dislocated tonnage" shipped to distant points. OPA intended that this provision should be used only to relieve mills from paying excessive freight charges on such shipments. There is some indication that the provision has been used to evade the "ceiling" in the schedule by applying it to ordinary shipments of steel.

Ceilings on upholstery furniture fabrics set at 105 percent of September 10 prices

Upholstery furniture fabrics have been placed under a formal price schedule, which supersedes voluntary stabilization agreements, OPA Administrator Henderson announced November 11. The schedule stipulates that maximum price for any present pattern shall be 105 percent of the quoted price on September 10, 1941.

This action, the Administrator stated, will be followed shortly by a schedule that will set a ceiling at present levels over the prices of wood furniture.

The voluntary agreements on furniture upholstery fabrics were announced on October 3. They stabilized prices at the level prevailing on September 10 with the provision that upon request to OPA an increase of five percent above that level might be made. A number of producers have taken advantage of this provision.

During the first 10½ months of 1941, according to a survey of representative manufacturers, prices of furniture upholstery fabrics have shown an average increase of 24 percent. Attempts of OPA to obtain detailed costs and profit information from members of the industry have not been successful to date, but the investigation is continuing, Mr. Henderson stated.

To establish quality standards

In addition, research is underway in conjunction with the Bureau of Standards for the purpose of establishing standards of quality for furniture upholstery fabrics.

Issuance of the OPA schedule was preceded by a meeting of representative manufacturers in Washington on November 7 at which technical information was accumulated.

Furniture upholstery fabrics fall into two classifications: Pile fabrics and flat fabrics. In the pile group are mohair cloths, friezes, and velours. Flat fabrics are divided into two groups, one containing the damasks, tapestries, and brocatelles, while in a second group fall the cheaper cottons, such as jacquard weaves and dobby cloth. More than half of all the total looms in the industry are owned by 28 companies. The remainder is divided among more than 275 small producers.

The new price schedule requires all manufacturers to file reports with OPA on or before November 20 on present patterns, giving the maximum prices estab-

lished by the schedule, the name or number of patterns, and the specifications used. The specification reporting requirement applies to constructions of cloth, rather than to patterns. Only one specification, for example, need be filed where a number of patterns are made of the same cloth construction. Quarterly affirmations of compliance are required beginning January 1, 1941.

Additions to lines must be reported

New additions to manufacturers' lines also must be reported to OPA. In this connection, Mr. Henderson emphasized that prices for new goods must bear a proper relationship to prices of existing patterns and constructions, which, as previously stated, are undergoing investigation by the Bureau of Standards as

Rayon order clarified

The Office of Production Management acted November 10 to clarify several points which have caused some difficulty in the rayon trade since its Supplementary Order M-37-a was issued on September 27, 1941. An official interpretation of Supplementary Order M-37-a pointed out that merchant yarn converters and fabric converters were to be considered as "jobbers," as that term was used in the order. The interpretation also drew a line to be used in determining when a manufacturer owned, controlled, or held yarn within the meaning of the inventory restrictions of the Supplementary Order M-37-a.

A detailed release (T-42) explaining the use of Form PD-113, Government allocations from the hardship pool, Form PD-113 and Government allocation orders from hardship pool placed by same manufacturer, over-ordering, and inventory regulations, is available on request to the Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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Dalton named rayon consultant

Appointment of Harry Dalton, of Charlotte, N. C., as rayon consultant in the textile, clothing, and equipage branch, Division of Purchases, was announced November 12 by R. R. Guthrie, Assistant Director of Purchases.

to the possibility of quality standardization.

Custom manufacturers, which the schedule defines as "persons who in the first 6 months of 1941 manufactured at least 80 percent by dollar volume of their production on individual order, rather than for their stock, in quantities of 300 yards or less per pattern per month" are exempted from the schedule. Into this category falls a large number of small manufacturers who mainly produce novelty goods in minor quantities. Their prices have little direct influence upon the general price level of furniture upholstery fabrics.

Also excluded from the schedule provisions are jobbers and so-called converters of furniture upholstery fabrics. The prices charged by these members of the trade are undergoing examination, however, and OPA is prepared to bring them under a ceiling schedule if it is found to be necessary.

Crude oil price increase to be withdrawn

Increase of 7 cents a barrel in prices of North and North Central Texas crude oil posted November 6 by the leading purchaser in these areas will be withdrawn at the request of OPA, Administrator Henderson announced November 11.

Mr. Henderson's announcement followed a meeting in Washington with representatives of Consolidated Oil Corporation and the Texas Co. The November 6 increase was initiated by an affiliate of Consolidated and was followed by Texaco and other purchasers. All buyers in the fields are expected to return to former levels.

The advance in North and North Central Texas has been the only change in Midcontinent crude oil prices since October 10, when OPA announced it had begun a comprehensive investigation of the Midcontinent price situation. In a statement at that time Mr. Henderson asked that prices be not advanced pending the completion of the study and OPA previously had informal understandings with major companies that price increases would be discussed prior to their being put into effect.

The companies contended that the price advance was an "adjustment" rather than an increase. Mr. Henderson, in rejecting this contention, pointed out that the price for a substantial volume of production was 7 cents higher than before the increase and that any difference in nomenclature is irrelevant.

Builders' hardware prices stabilized by ceiling affecting manufacturers, jobbers

Manufacturers' and jobbers' prices of a wide variety of builders' hardware items are stabilized at the levels prevailing on October 21 in a maximum price schedule announced November 14 by OPA administrator Henderson.

Prices of insect screen cloth, which is distributed through the same channels as builders' hardware, also are held to their October 21 levels by the latest OPA ceiling, which becomes effective November 19.

While the new schedule became necessary as direct result of the OPM copper conservation order of October 21, it is not confined to articles made wholly or partly of copper or brass, but extends to all products named, no matter what material is used in their manufacture.

Numerous advances of 10 percent in manufacturers' prices for various items of builders' hardware have taken place since the OPM limitation order was issued. That this probably would occur was recognized by OPA on October 26, when Mr. Henderson first announced a comprehensive program to stabilize prices of all products made of copper, brass, or other copper base alloys. At that time, the administrator disclosed that one of the first steps in this program would be to establish "present prices" as a maximum for builders' hardware.

The new schedule covers eight types of knobs and handles, 20 types of door locks, 13 types of hinges, 16 items of miscellaneous door hardware, 10 items of window hardware, five of screen hardware, and 12 miscellaneous articles, such as house numbers, transom chains, and snap catches. Painted, galvanized, commercial bronze, hand-drawn copper, and "koolshade" fabric window screen cloth are included.

Retailers exempted

Retailers have been exempted from the schedule in the belief that they also will apply the October 21 level to their price lists, Mr. Henderson said. "For retailers to attempt to take advantage of an emergency situation by compelling the public to pay unreasonable prices for the essential articles now brought under an OPA 'ceiling' would be profiteering," he added. "It is the duty of my office to see that this does not take place."

According to the schedule's definition, a "retailer" means a person who maintains a store where 75 percent of the dollar volume of all products, whether or not

covered by the ceiling, represented sales without discount, except cash discount, from his regular retail prices in the six months preceding November 19.

The maximum price for any article included in the schedule shall be determined as follows:

(1) It shall not exceed the highest price at which a similar item was sold during the period between September 22 and October 21, 1941, to the same purchaser.

(2) If no sale to the "same purchaser" was made during such period, the top price shall be that charged a purchaser of the same class.

(3) If no sale of a similar article was made between September 22 and October 21, the

ceiling price shall be determined from the price of a related item.

(4) In all other cases, the maximum price shall be the market price.

A record of selling prices during the September 22 to October 21 period must be available within 30 days for the inspection of OPA. Similar sales records for each month beginning with November must also be kept.

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SCHEDULES AND FORMS

A complete list of maximum price schedules issued through November 11 and the forms used in relation to them appears on page 29.

Carbon and low-alloy steel castings put under ceiling after several months' study

Prices for carbon and low-alloy steel castings, including "railroad specialties," are prevented from going above approximately current levels, through the issuance of a price schedule November 14 by OPA Administrator Henderson.

The schedule, effective November 15, 1941, provides that the maximum prices shall be those that prevailed on July 15, 1941.

Except for railroad specialties, these maximum prices will approximate those contained in the Comprehensive Report of Price Lists of Miscellaneous Castings, issued by the Steel Founders' Society of America for the third quarter of 1941.

Any miscellaneous castings for which prices are not determined by the Comprehensive Report are to sell at not more than the July 15 prices, according to the schedule.

Special provision is made for pricing of castings not previously produced by a manufacturer. Data on such castings, when part of an order totaling \$100 or more, must be filed with OPA along with the proposed maximum selling price.

"Price stability for castings is vital to the whole defense effort," stated Mr. Henderson, "since castings are an element of cost in virtually every industry which uses machinery.

Used by almost every industry

"Most of the foundries producing castings have defense contracts and are operating at or near capacity. Some of the larger corporations are using a large

part of their plant capacity on orders connected directly or indirectly with the defense effort."

Carbon and low-alloy steel castings, which are formed by pouring molten steel into molds, are used by virtually every industry in the United States. Roughly, these castings fall into two groups: railroad specialties and miscellaneous. The first group includes side-frames, bolsters, yokes, and couplers used in the running gear of railroad freight and passenger cars. The miscellaneous-castings field takes in all manner of products. Some of these are mass-production items, while others are made to order in small quantities. Steel scrap is the principal raw material in the production of carbon and low-alloy castings.

Obtain first-hand information

OPA's studies in the castings field have been under way for several months. Field trips were made during the summer to get first-hand information from many of the leading manufacturers, and on September 26 separate meetings were held with the makers of miscellaneous castings and railroad specialties. A steel castings advisory panel was designated shortly thereafter and discussions were held with committees drawn from the panel on the proposed schedule and the level of prices.

The new schedule provides that applications may be made to the Office of Price Administration to complete outstanding contracts at higher than ceiling prices in certain special instances. Sworn affirmations of compliance are required to be filed monthly.

Defense News for Consumers

How to Save Antifreeze

Under present production schedules, supplies of chemicals used in antifreeze preparations will be adequate to meet normal motoring needs this winter, unless hoarding or a speculative buying rush results from the "scare" advertising published by some of the companies making branded antifreezes, Miss Harriet Elliott, Associate Administrator of the Office of Price Administration, in charge of the Consumer Division, has announced.

"Such 'scare' advertising," Miss Elliott said, "is likely to touch off a speculative buying spree and hoarding on the part of distributors, thus creating a maladjustment of distribution and an artificial shortage. It also tends to hasten inflation. After the public has been thoroughly frightened by 'shortage' advertising it will be comparatively easy for prices to be boosted on unsuspecting motorists. No retail price advance for antifreeze solutions is justified at this time."

Because the chemicals used in antifreeze are also important in explosive manufacture and are in demand for use in Army and Navy motors, Miss Elliott appealed to motorists to conserve the available supply as much as possible. When motorists use the "permanent" ethylene glycol type of antifreeze, they should save it for reuse next year, she emphasized.

The following tips for using antifreeze with minimum waste are suggested by automobile and chemical experts on the staff of the Consumer Division:

1. Check fan and pump belts. The belts should be tight enough so that you cannot turn the fan with your finger without moving the belt. Excessively worn belts should be replaced.

2. Clean out rust scales from inside the radiator and motor block which cause the engine to overheat, flush cooling system before adding antifreeze. Plain washing soda or other inexpensive flush is suitable. If you haven't flushed your cooling system for several seasons, the radiator and engine should be flushed separately by disconnecting the hose that joins the radiator with the motor. The same is true if you use "hard" water in the radiator, or if the drained water seems to be very rusty. To be sure that flushing mixtures are thoroughly drained, flush clean water through radiator and draincocks on the motor block.

3. After flushing the cooling system, check it for leaks. Lifeless, overaged hose connections which may easily develop leaks should be replaced, and leaky water pumps should be repaired, or replaced if necessary. Check the water pump particularly carefully, for the grease around it often hides leaks.

4. Check the level of the water in your radiator frequently after adding anti-

A REGULAR FEATURE

on this page will be **DEFENSE NEWS FOR CONSUMERS**, prepared by the Consumer Division of the Office of Price Administration.

freeze, and periodically thereafter. The level should always be above upper hose connection to allow circulation from the radiator to the motor. Filling the radiator above the neck means you are using more antifreeze than necessary.

5. Watch engine heat-indicator for signs of overheating. If your engine overheats, find out why and have it fixed. Always check the strength of the antifreeze after overheating.

6. Use adjustable type of radiator cover, so it can be opened and closed as the weather dictates. Completely closing up your radiator front causes engine overheating.

7. Avoid idling the engine for long periods. Since the cooling system is designed to operate efficiently while the car is in motion, idling the engine for a long period is apt to cause overheating—and also wastes gas.

8. Put the cooling system in order before cold weather catches up on you over night. Then antifreeze can be added at a moment's notice. Don't put in antifreeze until you need it. And don't use more than you need.

Response to Consumer's Pledge

Widespread and favorable response to the "Consumer's Pledge for Total Defense" announced last week has been received by the Consumer's Division of the Office of Price Administration, according to Miss Harriet Elliott, associate administrator of OPA.

Signers of the pledge agree as consumers to buy carefully, take good care of the goods they have, and waste nothing.

In addition to individual consumers,

many of whom clipped and signed the pledge from news stories in the press, several organizations sent back pledges covering their entire membership.

Schools are also playing an active part in the consumers' war against waste. Many high schools and colleges have sent to the Consumer Division for copies of the pledge for the students to sign.

The first college to return pledges was Skidmore, which sent in 464, representing nearly two-thirds of the student body. The first high schools were Dunbar and Woodrow Wilson in Washington, D. C., each of which sent in approximately 2,000 pledges, representing almost 100 percent of their enrollment.

In these two high schools, each teacher gave a half-hour lesson on why and how critical supplies required for national defense and essential civilian uses should be conserved. The lesson followed an outline prepared by the Consumer Division which is available for use in other high schools. Following the classroom lesson, a 7-minute dramatization of the meaning of waste and how children can cooperate in the defense effort by being wise consumers was given by three students over the school intercommunication system. The script for this dramatization was also prepared by and is available from the Consumer Division. Assemblies were then held, with Mrs. Roosevelt addressing the students on the significance and meaning of the pledge.

Retailers in a number of cities also cooperated by running the pledge in their advertising. The Sons of Jewish War Veterans, with a membership of 30,000, and the Boy Scouts of America have volunteered their services in distributing the pledge.

Consumer Education Course

At the request of the Pennsylvania Department of Public Instruction, OPA's Consumer Division, in cooperation with the U. S. Office of Education, is preparing an outline on consumer education suitable for incorporation in the State public high school system, it was announced last week.

The outline will indicate what phases of consumer education for national defense can best be taken up by the home economics, social studies, business and science departments, which are already well established within the school system. When completed, the outline will be made available to the Pennsylvania public school system and, upon request, to anyone interested.

News for Retailers

Kaufmann appointed OPA consultant on distribution

Appointment of Edgar J. Kaufmann of Pittsburgh, president of Kaufmann Department Stores, Inc., as consultant on distribution problems for the Office of Price Administration, was announced November 11 by Administrator Henderson.

Mr. Kaufmann will advise OPA on problems relating to pricing and distribution of finished goods with special reference to "scare buying," advise in the preparation of price administration programs in the finished-goods field, reduction of waste in distribution, and problems arising from unethical practices of either retailers or manufacturers that affect prices.

Seek cooperation of distributors

"Retailers have cooperated admirably with the Office of Price Administration in holding prices down," Mr. Henderson stated. "We must continue to receive the cooperation of the 1,700,000 distributors in the country in maintaining prices at fair competitive levels. At the same time we must preserve our traditional forms of doing business. This requires that fair consideration be given to all distributors including the independent store owners and that both distributors and consumers be so educated that a reasonable standard of living is maintained. We expect Mr. Kaufmann to be of great aid in this effort."

Mr. Kaufmann is a director of the National Retail Dry Goods Association; a trustee of the American Retail Federation; founder and associate staff member of the Research Bureau for Retail Training, University of Pittsburgh, and president of the Labor Standards Association of Pittsburgh.

Standardization and simplification

Spheres of activity relating to standardization and simplification of consumer goods were defined November 13 in the announcement of an agreement between the Standards Section, Consumer Division of the Office of Price Administration, and the Bureau of Industrial Conservation of the Office of Production Management.

The agreement delegates to the Bureau of Industrial Conservation responsibility relating to simplified practices, that is, the reduction in the number of various styles, types, or grades of products manu-

factured with the objective of saving vital materials for defense and essential civilian uses. The development of standards, grades, and quality-identifying labels will be handled by the Standards Section in the Office of Price Administration.

The basis for cooperation has been laid down in a letter from Lessing J. Rosenwald, chief, Bureau of Industrial Conservation, to Dr. Robert A. Brady, chief, standards section of the Consumer Division. The text of the letter which further defines the working plan is as follows:

The following is my understanding of our discussion of yesterday afternoon.

The Bureau of Industrial Conservation will be responsible for the handling of all *simplified practice procedure* as defined below:

"A 'Simplified Practice' is defined as a list of sizes, varieties, types, or grades of products which has been approved for regular stock purposes, after superfluous variety has been eliminated and which can be carried out without involving technical standardization."

The Consumer Division of the Office of Price Administration will be responsible for the handling of all *standardization* with the understanding that all work necessary in determining such standards from the point of view of simplified practice will be handled in the Bureau of Industrial Conservation.

The Bureau of Industrial Conservation will provide office space for a representative of the Consumer Division and everything which the Bureau of Industrial Conservation does in the simplified practice field will be open to your representative. Your representative will take part in all procedures concerning simplified practice where he considers it advantageous to present the consumer's point of view. A similar arrangement will be made by the Consumer Division for a representative of the Bureau of Industrial Conservation on matters pertaining to standards developed in your Division.

If questions arise regarding jurisdiction under this agreement, they will be settled by direct conference between you and me.

I am exceedingly happy that this arrangement has been consummated as I think it will serve as a practical basis for close cooperation between the two Bureaus.

In order that producers, distributors, and consumers may clearly understand the general position of the Consumer Division with reference to standards, Dr. Brady added the following comments:

The Standards and Consumer Needs work of the Consumer Division has been undertaken to develop the use of standards, grades, and quality-identifying labels that will effectively assist the defense program by providing aids for the more adequate protection of consumer interests.

It is not, however, the purpose of the Standards Section of the Consumer Division to promote standards as such, but only those standards that are of definite and immediate value to ultimate consumers and are demonstrably feasible in specific situations. Other sections of OPM and OPA are concerned with simplification, standards, and specifications as they relate to conservation and better use of materials, manpower, and plant capacity for belligerent purposes. Our con-

cern is with selecting among these alternative types of standards those that, while serving the same ends, likewise give the consumer the best possible value for his money.

Our concern, that is to say, is not with generalities about standards or grading systems, but with this specific question: in a particular situation, with respect to a given commodity or service, will any standards or grading system make possible better use of materials, plant capacity, and manpower, and at the same time aid the consumer in getting the best possible value for his dollar? Where the answer is yes, the Consumer Division will be wholeheartedly and emphatically in favor of using or establishing standards. If the standards are bad, technically unsatisfactory, vague, or otherwise imperfect, but still clearly better than "nothing at all," the Consumer Division will still be in favor of their use. If standards do not exist, or for one reason or another are not immediately feasible in any particular commodity field, or are less effective than some other device that better and more expeditiously serves the same ends, then the Consumer Division will not favor it—it will even oppose—the introduction of standards.

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OPA speeds preparation of ceilings on copper wire, cable

Work is being speeded by the Office of Price Administration on preparation of a price schedule establishing ceiling prices on copper wire and cable, OPA Administrator Henderson stated November 14.

A meeting with a group of representatives from more than 30 companies in the industry was held in Washington November 13, and in addition individual conferences have been held with a long list of companies in order to gather information on price movements and related data. As a result of these meetings a large amount of detailed information on industry price problems has been made available to OPA.

Price movements in the copper wire and cable field have been irregular during the past year with some products moving up as much as 40 percent while others have held virtually constant. It is expected that the price schedule will take account of these varying trends with some quotations being reduced substantially below present levels. The industry was asked not to charge prices higher than those prevailing October 15, in a letter sent to the industry on October 29.

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Manufacturers' excise tax was effective October 1

A story appearing on this page November 4 stated that the manufacturers' excise tax went into effect October 14. This was an error. The manufacturers' excise tax was effective October 1.

PRODUCTION . . .

Harrison reviews armament output: up to expectations, but program doubled

Speaking before the National Rivers and Harbors Congress in Miami, November 13, W. H. Harrison, Director, OPM Production Division, declared: "Impressive as are current over-all results—yet by the very nature of things, they are far from satisfactory—the reason for this is not so much that production levels are not what they might have been, but rather because the job which must be done is a job where results are never good enough . . . It is a race and tomorrow we may be too late."

Further excerpts:

Many of you may recall that a year ago the concept of the program was to train and equip an Army of 1,400,000 men, provide strategic materials and supplies for a larger force, build to round out a two-ocean Navy, and provide for an expansion of the merchant marine fleet. In all, expenditures of 28 billions were in sight.

Now the concept is:

1. To provide for a considerably greater force of our own;
2. Advance the building of the two-ocean Navy;
3. Produce to serve as the "arsenal for democracy," our production to include munitions, materials, and supplies for Britain, Russia, China, and their Allies; and
4. To provide for the bottoms to make possible for the handling of much of these supplies.

Expenditures of something over 60 billions are in sight.

And, underlying all of this, is the very sound philosophy that every effort should be made to hold to a minimum the disruption of the going way of civilian needs.

Now, as to taking count of stock.

Upwards of 1,500,000 men are in training. They are well-housed and reasonably well-equipped with basic training implements. In large measure what they lack in equipment grows out of the urgency of lend-lease needs.

Two-ocean Navy ahead of schedule

On the Navy side, each month sees a substantial number of the new combatant vessels and auxiliaries added to the fleet. You know of the two new bat-

tlehips recently made ready for fleet service, and of the launching of three new high-speed cruisers. The number of destroyers, submarines, and patrol craft completed this year will be reassuring. At the present rate of progress a balanced two-ocean Navy will be a reality well in advance of any estimates previously thought possible.

Two figures help show the magnitude of the naval job. The present fleet totals 1¼ million tons. 2¼ million tons are to be added.

The completion of new merchant vessels is now at the rate of eight 10,000-ton cargo vessels per month. A rate of more than 50 per month should be reached by the middle of next year, about two a day. Better than a million tons will be constructed this year, and 5 to 6 millions next year. The significance of these figures becomes apparent when it is realized that the present merchant fleet totals some 10 million tons.

All the romance of ships is not found on the sea. There is much of it in the building of the operating bases and the construction of new facilities for the expanded naval and merchant fleets. Little is heard of this. Such a striking job has been done that no one talks of it.

Aircraft production gratifying

The first stage of aircraft production, light and medium bombers, patrol, dive, scout, and pursuit fighters, observation, primary and basic trainers, is very gratifying.

The second stage, primarily weapons of offense, long range, heavy duty 4-engine bombers with their increased fire power and heavier protective armor are, of course, limited in production. But new facilities are nearing completion, and quantity production should be effective before many months have gone by.

As this accelerated air program was unfolded there developed an urgent need for the construction of large bomber assembly plants, training fields and depots for upkeep and repair. There also developed the need for extensive and pioneering construction work on the Atlantic bases.

These jobs were turned over to the Corps of Engineers of the Army. I be-

lieve that the brilliance of their performance in directing, designing, and constructing these far-flung bases will be cherished by the Corps in the generations to come.

Ordnance construction well advanced

In ordnance and directly related items, the phase of the program involving the construction of new plants and arsenals is well advanced. In round figures, a total of 70 special-purpose plants are contemplated. Work is under way on substantially all—in fact more than 30 are now in partial or complete operation and additional units are being made ready each week. Approximately 1½ billion dollars have been appropriated for construction of these plants.

Small arms, machine guns, smokeless powder can be signaled out as being abreast of schedules. Antiaircraft, anti-tank guns, field artillery, and TNT are not up to needs.

The production of small-arms ammunition—an urgent item—despite the record of construction of the several new plants, is just now breaking through.

Not enough tanks

While our present tank output is sizeable and within a month or two will be at the rate of more than half the previously set maximum, this is not enough. The lease-lend need for tanks is pressing. This is a phase of the program that is in for vast expansion and extreme pressure.

You will understand my inability to give specific figures. You may be sure, though, that over-all production is up to expectations—well in advance of any yardstick that might be applied in relation to the World War effort. Expenditures totaled 1.4 billion dollars in September and 1.5 billions last month.

Over-all results not satisfactory

Impressive as are current over-all results, yet by the very nature of things they are far from satisfactory. The reason for this is not so much that production levels are not what they might have been but rather because the job which must be done is a job where results are never good enough. And they are never good enough because the yardstick is a yardstick of time—a race against time—a race where none of us is, nor none of us can afford to be, spectators. It is a race and tomorrow we may be too late.

Passenger auto problems to be discussed November 19

Passenger automobile production problems will be discussed at a meeting November 19, with members of the passenger car subcommittee of the Automotive Defense Industry Advisory Committee, and Government officials.

The passenger car subcommittee was asked to meet with officials of the Division of Civilian Supply to discuss February output and other problems arising from recent orders issued by the division through the Director of Priorities.

The automotive passenger car subcommittee is composed of: I. T. O'Brien, Detroit, representing Chrysler; R. C. Cosgrove, Cincinnati, Ohio, Crosley; H. M. Northrup, Detroit, Hudson; G. W. Mason, Detroit, Nash-Kelvinator; Thomas W. Skinner, Dearborn, Mich., Ford; Albert Bradley, Detroit, General Motors; William Packer, Detroit, Packard; J. W. Fraser, Toledo, Ohio, Willys-Overland; and Paul Hoffman, South Bend, Ind., Studebaker.

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Expansion of plane, tank part capacity asked for tube plant

A program to increase production of badly needed aircraft bearing tubing and tank-tread pins and bushings has been recommended to the Defense Plant Corporation, it was announced November 12 by OPM Director General Knudsen.

An addition of 24,000 tons of electric alloy steel ingot capacity is proposed for the Babcock and Wilcox Tube Co. plant at Beaver Falls, Pa., together with various finishing facilities which will permit more of the plant's capacity to be turned to these special products.

The program was proposed in two reports prepared by W. A. Hauck, steel consultant.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

Duplex process recommended for Indiana steel plant to increase production

A proposal to increase materially the capacity of the Inland Steel Co. plant at Indiana Harbor, Ind., largely through a more advantageous use of existing finishing facilities, was recommended to the Defense Plant Corporation November 12 by OPM Director General Knudsen.

The proposal is in addition to the 900,000 ton pig iron capacity increase at Inland, for which the Defense Plant Corporation signed an agreement to advance \$34,000,000 on September 29.

The new increase, according to the report of W. A. Hauck, steel consultant, will "by utilizing existing facilities, including equipment and buildings, be able to produce approximately 60,000 tons of ingots monthly with the use of the duplex process." By revamping the present strip mill, additional steel plate and other products vital to defense production can be turned out.

Provides for 42,000-ton increase

The report sets forth that the proposed installation will provide in the quickest possible time an estimated increase of 42,000 tons of finished steel products monthly, all of which are in urgent demand.

Of special advantage is the fact the

proposal not only eliminates the necessity of providing scrap for the conversion of the increased pig iron capacity, but will provide additional home scrap for use in existing open hearth furnaces.

The importance of this is reflected in a recent quotation from Chairman E. L. Ryerson of Inland, that "the company's reserves of steel scrap are being steadily diminished and this may result in curtailment of operations unless the available supply of scrap improves."

Demand greater than capacity

Demand for the type of products made at the Inland plant is larger than present capacity and is constantly increasing, the report says. Current schedules are made up almost entirely of defense orders and the total backlog of orders is now equivalent to 6 months' capacity production.

The plant produces steel plates, structural shapes, bars, tube rounds, and shell steel forgings, blooms and billets.

The duplex process mentioned in the report is one where hot metal is placed in a bessemer, blown and then sent to an open hearth while it is still molten. Many hours of melting time are saved by the process, thus increasing production.

Name changed to "Bureau of Industry Advisory Committees"

The name of the Bureau of Clearance of Defense Industry Advisory Committees has been officially changed to Bureau of Industry Advisory Committees according to an announcement by Sidney J. Weinberg, chief of the Bureau. The council of the Office of Production Management made this change at its meeting of November 4, 1941, by adopting Regulation No. 7-A which provides:

"Regulation No. 7, dated June 24, 1941, is hereby amended as follows:

"1. The name of Bureau of Clearance of Defense Industry Advisory Committees is changed to Bureau of Industry Advisory Committees.

"2. Committees created pursuant to Regulation No. 7 will be known as Industry Advisory Committees."

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Hosiery technical subcommittee

The Bureau of Industry Advisory Committees of OPM announced November 14

the formation of the technical and statistical subcommittee of the hosiery industry advisory committee.

Members of the subcommittee are: Earl Constantine, National Association of Hosiery Manufacturers, New York, N. Y.; G. Allan Dash, Jr., Wharton School of Finance and Commerce, University of Pennsylvania; Taylor R. Durham, Southern Hosiery Manufacturers Association, Charlotte, N. C.; Alfred Hoffman, American Federation of Hosiery Workers, Philadelphia; George F. Lang, Full Fashion Hosiery Manufacturers of America, Inc., Philadelphia.

The first meeting of the subcommittee was scheduled for November 18.

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

CONSERVATION . . .

OPM reviews metals with industrialists: copper demand 150,000 tons, supply 128,197

With a demand for more than 150,000 tons of copper for direct military and lend-lease use during the current month, only an estimated 128,197 tons of this critical metal is available, it was revealed November 14 at the final session of a conference of members of the Engineers' Defense Board and representatives of scientific and industrial groups.

The meeting at the Office of Production Management was the first general gathering of the recently formed Engineers' Defense Board with OPM officials from all sections of the Materials Division and the Bureau of Industrial Conservation, the Office of Scientific Research and Development, and technical experts from many industries. The general purposes of the all-day session, as outlined by the chairman, Dr. C. K. Leith, consultant on minerals in OPM, were to hear reports on previous meetings of the engineering board, and to outline methods by which conservation of scarce materials could be achieved through substitution of less critical materials.

Salvage will partially fill gap

The Engineers' Defense Board is headed by Robert E. McConnell, formerly chief of OPM's Conservation Bureau, and includes five representatives each from the six national engineering societies, civil, mining and metallurgical, mechanical, electrical, automotive and chemical. The committee will serve in an advisory and consultant capacity to OPM and other defense agencies.

In discussing the expected copper shortage, it was pointed out that an estimated 14,000 tons of scrap copper is expected to be salvaged, partially filling the predicted gap. In addition, it was said that some of the defense demand might be intended for production use later than during the present month. Under any circumstances, however, the figures quoted were a fair representation of the extremely "tight" situation in the supply of copper as against constantly increasing demands.

Conservation is "the biggest mine"

Dr. Zay Jeffries, of the OPM copper section, praised industry for its efforts to introduce substitutes wherever possible in place of copper, but warned that to

date most substitutions effected were of one metal for another, inevitably resulting in new scarcities. "The biggest copper mine available to us," Dr. Jeffries said, "is conservation of our existing supply, and the increase of the flow of scrap copper back into industry."

One prospect of a major saving of copper stocks lies in the projected substitution of steel for brass on cartridge cases and bullet jackets, it was said. However, although experiments are now under way in conjunction with Army and Navy Ordnance technicians, it was estimated that production on a large scale in this field might not be possible for about eighteen months. Members of the staff of OPM and representatives of the Army and Navy were to meet again this week to discuss results of recent experiments.

Nickel production below defense need

Considerable attention was devoted to nickel. David Uebelacker, of OPM, reported that although somewhat more than 17 million pounds were needed for direct and indirect defense needs during the month of December, production estimates were half a million to a million pounds less. Pointing out that nickel is required in practically every phase of the defense program, he said that during the month of November about 70 percent of the available supply went directly to steel mills, some 8 percent to iron and steel foundries, 6 percent to brass mills, and more than 8 percent into rolled nickel products. He said 2.4 percent went to the electro-plating industry, not directly allied to defense, in an effort to keep approximately 2,500 concerns in this field in operation.

Chrome supply lines are long

Current or predicted problems confronting defense industry in procuring sufficient quantities of other vital metals were also outlined at the meeting. Of the estimated 900,000 tons of chrome expected through importation in 1942, more than one-third would be lost if only one of the three foreign sources were cut off by extension of war areas or lack of transportation facilities. At the present time, reports indicated, total supplies available are just about equal to demand. Intensive efforts are being made to increase domestic production. Conserva-

tion is also possible through a substantial cut in the use of stainless steel in civilian manufactures, and the elimination of most of the trim on automobiles, it was pointed out.

The "ever-present specter" of the tin supply from the East being cut off confronts industries requiring this metal, Erwin Vogelsang of OPM declared. Although a substantial supply of tin is on hand, he stated, demands are increasing constantly, and necessity has already arisen for the introduction of substitutes wherever possible. Lead, too, must be conserved, other speakers declared, since the United States at present is importing about 40 percent of its current needs.

Tungsten to be short

Conservation of manganese is being achieved through the revision of specifications for its use in manufacturing steel, another report indicated. Without impairing the quality of the steel, it has been shown, a 10-percent decrease in the use of manganese can be effected.

During the current year approximately 18,000 tons of tungsten have been available, and have been entirely used, while for the coming year, with an estimated demand of 25,000 tons, production for 1942 is expected to total only 23,000 tons. Through conservation or substitution, it is hoped that the shortage may be made up. Much the same situation exists in regard to molybdenum, it was stated, where the 1942 demand is expected to reach 48 million pounds, as against a predicted production of only 45 million pounds.

General discussion of potential shortages in all the vital metals revealed that in estimates of stock piles, Army and Navy consultants have asked that needs for a three-year period be kept in mind.

H. Leroy Whitney, of the iron and steel section of OPM, said that present estimates of total production of alloy steel in 1942 indicate that the demands of the Army and Navy may be barely met, with no provision for civilian needs. Recent experiments being conducted jointly by technical experts in industry and Government, it was noted, offer great possibilities for the use of substantial quantities of alloy steel which are at present unusable. "Pet formulas" of some manufacturers must be replaced by revised specifications which will conserve vital materials and still do the necessarily efficient job, it was emphasized.

HOUSING . . .

1942 may be second biggest building year since 1930, new survey indicates

The volume of construction in 1942 may be greater than in any year since 1930, with the exception of 1941—despite difficulties of building in nondefense areas, according to a survey by the Bureau of Research and Statistics, OPM.

The construction industry as a whole, therefore, will have a very active year throughout 1942, irrespective of what happens to nondefense construction.

The figures released November 10 are based on a more recent survey than those issued by OPM on October 10, 1941.

Should there be only 1 billion dollars of nondefense construction in 1942, in addition to defense housing, the total volume of construction will be greater than any year since 1929, with the exception of 1941.

Not all kinds of construction will enjoy this activity, it was added. Architects in certain areas may run short of work and material yards and construction laborers may be hard hit. But this, it is felt, should be an incentive for devising new techniques for construction without the use of critical materials.

Present estimates suggest that there may be a drop of 65 percent in strictly nondefense construction from 1941 to 1942. Including defense housing in the nondefense item, there may still be a drop of 50 percent. There is, however, no assurance whatever that the critical items will be made available for even this restricted volume of nondefense construction. It is pointed out, therefore, that every effort should be made to make critical materials go as far as possible so that there may be as much construction as possible.

Military construction may double

The currently scheduled program for the construction part of Government-financed industrial facilities is about 2½ billion dollars. It was a little over 1.5 billion dollars in July and it is anticipated that it may exceed 2¾ billion dollars by January, approximately 4 billion dollars by July of next year, and approximately 5 billion dollars by January 1943.

It is pointed out, however, that these figures are tentative and are guided by the program of the Army and Navy and by events abroad.

There are indications that the direct

military construction program may increase from 3½ billion dollars last July to about 6½ billion dollars next July and may possibly increase to more than 8 billion dollars by 1943.

This is based on present estimates for the strengths of the armed forces. Should that program be increased, the program outlined here would have to be changed.

The total defense construction program in July 1941 was less than 6 billion dollars; by January 1942 it is expected that the accumulative program will approximate 9 billion dollars; by July of 1942 it may reach 12 billion dollars, and in 1943 it may reach 15 billion dollars.

49,623 defense homes ready, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced November 13 that 1,539 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 8, making a total of 49,623 now ready for occupancy.

With 1,610 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 103,792.

Federal funds have already been allotted for 123,379 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,274. Since January of this year, 189,804 such homes have gone into construction.

Total defense construction valued at \$7,958,203,000 on October 1

On October 1, 1941, the value of defense construction—completed, in progress, and scheduled—amounted to \$7,958,203,000, the Bureau of Research and Statistics, OPM, reported November 12.

Construction valued at \$3,647,426,000 was in place. This included completed and semicompleted projects, and represented 46 percent of the defense construction program to date, 54 percent of scheduled construction remaining to be completed or undertaken. Of the work in place on October 1, \$439,167,000 or 6 percent of the total program was erected in September.

The military program involved con-

struction valued at \$4,649,793,000, of which \$2,065,421,000, or 44 percent, was in place on October 1. During September \$214,744,000 of the work, or 5 percent, was put in place.

The nonmilitary defense construction program came to \$3,308,410,000 of which \$1,582,005,000 or 48 percent, was in place. September construction was valued at \$224,423,000.

The following table shows the dollar value of the defense construction program by type of construction as of October 1, the value in place, the amount and percentage of construction scheduled still to be expended:

REPORTED DEFENSE CONSTRUCTION SCHEDULES: AS OF OCT. 1, 1941

[In thousands of dollars]

Type of construction	Total program July 1, 1940 to Oct. 1, 1941	Value in place Oct. 1, 1941	To be expended Oct. 1, 1941	Percentage of total program to be expended
Total defense construction	\$ 7,958,203	3,647,426	4,310,777	54.2
Total military	4,649,793	2,065,421	2,584,372	55.6
Military housing	1,697,759	1,095,945	601,814	35.4
All other military construction	2,952,034	969,476	1,982,558	67.2
Government financed industrial facilities (United States and British Governments)	2,207,230	1,073,635	1,133,595	51.4
Privately financed plant expansion ¹	358,680	238,585	120,095	33.5
Defense housing and community facilities ²	742,500	269,785	472,715	63.7

¹ Does not include data for construction programs which have not been reduced to a schedule basis.

² Changed from previous report due to more detailed data from reporting agencies, and changes in classifications.

³ Program may be increased to over \$10,000,000,000 by work not yet scheduled, but which will probably be announced before the end of 1942.

⁴ Under "accelerated depreciation" program, Second Revenue Act of 1940.

⁵ Preliminary.

Source: OPM Bureau of Research and Statistics

MATERIALS . . .

Batt, impressed with Russians' abilities, urges American supplies be sped

Acquaintance with Russian mechanics, soldiers, and officials has removed his doubt as to their ability to use our war materials to advantage, and convinced him that we must send all the equipment we can with great speed. W. L. Batt, OPM Materials Director, said in a broadcast address recently. He had just returned from Moscow, where he went as a member of the joint American-British mission.

Excerpts follow:

Five weeks ago the President directed me to go to Moscow with the joint British-American mission to confer with the Russians on the problem of aid for the Soviet Union. At that time I was uneasy in my own mind about the wisdom of diverting to Russia any substantial quantities of materials or equipment needed in this country. Like many other Americans I assumed the Russians to be good agriculturists but poor technicians. I knew that many military experts believed that the days of Russian resistance were numbered. Then, too, I knew that many Americans were hesitant about aid to Russia because of their dislike of the Soviet form of government.

After spending several weeks in London and Moscow, we have just returned to this country and I come back with a profound conviction.

Make the most of their equipment

We saw Russian mechanics assembling British and American airplanes. They worked with impressive intelligence and imagination and speed. They worked long hours. They had very little equipment but did incredibly well with what they had.

We saw perfectly satisfactory landing fields built under the greatest of difficulties and in remarkable time.

We saw an aircraft factory and an airplane engine plant. We could see few differences between them and similar plants in the United States. As far as one could judge their inspection standards compared favorably with ours.

We saw many Russian officers and officials and spent long hours in conference with them. Almost without exception they were capable, well-informed men. They were confident that Hitler could throw everything he had into the breach and could never bring about the surren-

der of the Russian armies. They were fully prepared to suffer heavy losses in terms of men, materials, and territory and still go on fighting. They were contemptuous of the very suggestion of a separate peace with Germany, and I am satisfied they meant it.

We saw the Russians moving heavy industrial equipment back from the fighting zones, through Moscow, and into the

TOOLS ALLOCATED FOR RUSSIA

The OPM Priorities Division last week directed about 35 manufacturers to accept, under certain conditions, Russian orders for machine tools estimated to cost 10 to 15 million dollars. Page 4.

interior, to be set up elsewhere and resume production.

We saw new recruits marching through the streets of Moscow on their way to the Army. I don't know whether they had received previous training, but already they looked like soldiers.

Talked with Stalin

We saw and talked with Stalin. I wish I could adequately describe for you the dinner he gave for our mission at the Kremlin. The most remarkable thing about it was the atmosphere of the place. One of the greatest battles of history was raging not more than a hundred miles away. Yet here in a great hall we sat with Stalin and his officers and officials. Stalin himself seemed intelligent, and amazingly well-informed. There was an air of safety and confidence—of calm resolution and of unshakeable courage.

For the skeptics

Let me pause for a moment to say a few words to the skeptics. I suppose that even now there are a few listening in who are saying to themselves, "They only saw what the Russians wanted them to see." To them, let me say this:

I am not a military strategist, but I do know that the Russians are not stopping German tanks merely by showing the Nazis only their best anti-tank guns. Yet the Russians plainly are stopping many German tanks.

I did not go the front but I can attest that Moscow, which obviously is one of the German objectives, is practically undamaged and seems to be prepared for a long, bitter fight.

I do not speak the Russian language, but I do know the Russians are not killing Germans with propaganda. And yet German losses most surely are very high.

He saw what they can do

I do not know exactly how many aircraft workers the Russians have, but I do know that the ones we saw were not actors. Perhaps the factories we saw were the best they had, but they clearly demonstrated what the Russians can do.

So regardless of whether we saw only the best of what the Russians have, the fundamental fact remains that they are fighting night and day—fighting gallantly and well, fighting against a common enemy. The further fact remains that since they most certainly have less mechanical equipment than the Germans have, they must be making good use of what they have.

It is also fundamental that Britain and Russia are pledged to see this war through—never to quit.

Backed by the United States, they have a tremendous potential superiority in raw materials and industrial capacity for the production of weapons of war. They can win—if they get enough help soon enough.

If Russia goes down. . .

What are the alternatives?

If Russia goes down, the position of Great Britain and the United States will be difficult.

If Russia goes down and is followed by Britain, the United States will be alone in the world with the most gigantic single military machine ever assembled sworn to destroy us; and the greatest industrial strength ever under one control to back it up.

What, then should be our course—from a sensible, safe, and selfish viewpoint? The answer is to deliver the goods—in the greatest quantities and the shortest time possible, by whatever means are necessary, deliver them into the hands of people who can use them and use them well right now—against the enemy while he is still thousands of miles from our shores.

We have to recognize that we do have troops in training that are not yet fully

equipped. At the same time we must recognize that there is no present use for war equipment in this country other than for training purposes. There is a life-and-death use for war equipment in other places this very minute. It can and will be used—now—to stop the only force that could or would attack us. I am convinced that whatever we send to Russia or Britain will be skillfully and courageously used. I know it is needed.

"Of course there is a risk"

Is there a risk that some of the equipment we send may never get there? Is there a risk that after it does get there some of it will be lost before it gets into action?

Of course there is that risk. Of course the transportation problem is difficult.

But there is a long list of nations that were afraid to take a risk in their own interest. Today they are provinces or protectorates of the conqueror into whose hands they played by fearing to take a risk.

Under these circumstances I am not concerned with the social or economic beliefs of those who are fighting Hitler. What does concern me is that the bitter experience of others and our own enlightened self-interest clearly dictate a course of action for us: that is to deliver every plane, every tank, every pound of material that we can possibly put into the hands of those who are fighting Nazism on their own soil, with their own men. To put it bluntly, whatever it costs to keep this war far away from our shores, that will be a small price to pay.

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Shifts in Materials staff announced by Batt

Changes in personnel in the Division of Materials, OPM, were announced November 17 by W. L. Batt, director.

David A. Uebelacker, present chief of the nickel branch, becomes chief of the copper branch, succeeding John A. Church. Mr. Church becomes senior consultant for the copper branch.

Louis Jordan, assistant chief of the nickel branch, has been named acting chief.

Howard C. Sykes, present chief of the mica, graphite branch, moves over to become chief of the stockpile and shipping imports branch, succeeding Philo W. Parker. Mr. Parker has served his agreed term in OPM and is returning to private business.

Howard F. Wierum, assistant chief under Mr. Sykes, replaces him as chief.

Steel leaders promise to fill arms needs; defense officials to plan required types

Leaders in steel production, taking part November 11 in the first industry-wide conference ever held with the Government on defense needs, promised to supply all the steel needed for the armament program.

High defense officials, for their part, pledged more precise definitions of needs, to diminish uncertainties which have hindered production of the proper types and quantities for delivery at the times required. Arrangements were revealed for long-range planning by the Army, Navy, Maritime Commission and Lend-Lease officials, and for better timing in moving steel from mills to factories and shipyards.

No greater burden on a single industry

No greater burden has ever been thrown on a single industry than that which rests on the steel industry now, President Roosevelt said in a message which called on management and labor to cooperate in production.

"We must set aside any individualistic interest which interferes in the slightest degree" with steel requirements to defeat the Axis and keep essential industries going, the President declared in the message, which was read by OPM Director General Knudsen. "The executives must, and I know they will, work with labor to meet this test of their resources, and I am equally as positive that labor will work with the executives, for that purpose is mutual—the protection of the lives and the homes of the American people and of every free home on earth."

Expanding demands on producers

As an example of the rapidly expanding demands on steel producers Mr. Knudsen cited the requirements for armor plate, with which it has been impossible to keep up. In tanks alone, he said, the original call for an output of 400 a month has been stepped up to 1,000, with talk among defense officials now of 2,000 a month in the future.

Lag due to scrap and pig iron shortage

R. C. Allen, deputy chief of the OPM iron and steel branch in charge of raw materials, said that 1942 steel production apparently will be held 4,000,000 tons below the indicated capacity of 87,000,000 tons because of a shortage in scrap and pig iron. In 1943, he said, mills will be capable of producing 93,-

000,000 tons, but the deficit in scrap and pig iron probably will cause a lag of 7,000,000 tons.

Speakers at meeting

A. D. Whiteside, Chief, Iron and Steel Branch, was chairman of the meeting. Speakers in addition to Mr. Knudsen and Mr. Allen were: E. G. Grace, president, Bethlehem Steel Co., Sidney Hillman, Associate Director General, OPM; Donald M. Nelson, Executive Director, SPAB, and Director OPM Priorities Division; W. L. Batt, Director, Materials Division, OPM; Jesse H. Jones, Secretary of Commerce and Administrator, Federal Loan Agency; Leon Henderson, OPA Administrator; Rear Admiral Emory S. Land, Chairman, U. S. Maritime Commission; J. V. Forrestal, Under Secretary of the Navy; John J. McCloy, Assistant Secretary of War; Thomas B. McCabe, administrative consultant to Lend-Lease Administrator; Charles Halcomb, W. A. Hauck, Stanley B. Adams, Dr. George B. Waterhouse, H. LeRoy Whitney, and M. Brace, all of the Iron and Steel Branch, OPM; Thomas Akin, president, Laclede Steel Co., George F. Wright, president, Wright Steel & Wire Co., Paul J. Kruesi, president, Southern Ferro-Alloys Co., and L. Gerard Firth, president, Firth-Sterling Steel Co.

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Drop forging producers asked to halt prices at October 10 level

Producers of drop forgings made of steel and steel alloys have been requested not to exceed the prices that prevailed on October 10, and a meeting of industry representatives has been called for November 18 to discuss a longer-range price program, OPA Administrator Henderson announced November 13.

Invitations to the meeting, to be held in New York, were sent to a representative cross section of the drop forging industry.

Many drop forging manufacturers are booked to capacity for months ahead with defense work. The general level of prices has shown a substantial increase thus far in 1941. OPA's action to stabilize prices at the October 10 level was taken because of indications that further advances were in prospect.

Drop forgings are formed of heated steel stock which is subjected to repeated blows between forming dies in a forging hammer. Forging designs and forms are innumerable. They are used extensively in heavy machinery and equipment, including steam and internal combustion engines and machine tools. Crankshafts and connecting rods in automobile, truck, tank, and airplane engines are drop forged.

CONTRACT DISTRIBUTION . . .

Three special trains begin tour to help manufacturers get defense work

Three special trains left Washington's Union Station November 10 to tour the country with exhibits designed to help thousands of manufacturers, especially the smaller ones, determine whether they can do defense work.

These defense specials were sent out by the Contract Distribution Division of OPM, directed by Floyd B. Odum, in co-operation with the Army, Navy, Maritime Commission, Marine Corps, Treasury, and the Priorities and Labor Divisions of OPM.

Each train is made up of six cars of samples of needed defense equipment and parts, and two cars of living quarters for the staff of the 35 Government representatives.

79 stops arranged

They are traveling throughout the country, stopping in 79 cities to let manufacturers from different regions inspect the defense samples and interview staff members.

During the stops in cities from the east coast to the west and from the Great Lakes to the Gulf, the traveling officials are striving to determine what type of defense equipment manufacturers are capable of producing and guide those with suitable plants either to present defense contractors, who have work they can subcontract, or the proper Government procurement offices. In some instances, the staff is initiating negotiations which, carried through at regular field offices, will result in contracts.

Arrangements were made for the press to visit the trains at Union Station in Washington November 10, just prior to their departure. Interested Government officials were also invited to go through them.

Extensive exhibits aboard

The exhibits include gun parts, fuses, bombs, flame throwers, fire extinguishers, propeller parts and other plane accessories, pumps, field hospital equipment and medical supplies, cargo ship parts and hundreds of other defense samples, as well as photographs, blueprints, and detailed specifications of many additional items.

Also displayed are many articles not generally associated with defense needs, such as chairs, harness, saws, and other

carpenter tools, pipe fittings, and other normal products.

The numbers of the six exhibit and conference cars and the organizations assigned to each are as follows: (1) Army Ordnance Department, (2) Army Air Corps, (3) Corps of Engineers, Signal Corps, Medical Corps, and Chemical Warfare Service, (4) Quartermaster Corps,

NEW FIELD OFFICES

Field offices of the Contract Distribution Division of OPM to help qualified manufacturers get defense work have been opened in four additional cities:

Chattanooga, Tenn.—909-910 James Building.

Fall River, Mass.—27 South Main Street.

Lancaster, Pa.—655 Woolworth Building.

Wilkes-Barre, Pa.—528 Miners National Bank Building.

This brings the total of Contract Distribution field offices to 62.

Marine Corps, and Maritime Commission, (5) Navy, (6) OPM and Procurement Division of the Treasury.

The regular staff of each train includes 16 Army officers, eight Navy officers, a representative of the Maritime Commission, eight representatives of the OPM, and representatives of the Treasury, the Information Division of the Office for Emergency Management, and the railroads operating the specials.

A Marine Corps officer joins the staffs at each stop. Field men of the Contract Distribution Division of OPM and procurement departments of the armed services also come aboard and assist while the trains are in their districts.

Train No. 1 is traveling the eastern seaboard, train No. 2 is going into the middle west and train No. 3 is going to the west coast and returning via the south. The tours will end on December 19.

The specials are not open to the public at the various stops. However, prior

to the start of the daily interviews with manufacturers at 9 a. m., they are being inspected by city officials, civic leaders, two representatives each of AFL and CIO unions, and representatives of the press and radio stations.

Schedules of interviews with manufacturers are being arranged by field offices of the Contract Distribution Division of OPM. Manufacturers obtain admission by applying to the field offices nearest them and, if they have not already done so, supplying information regarding their equipment. Each manufacturer is assigned a definite time to visit the train, and admission is by ticket only. Each visitor is interviewed in regard to his particular problem.

PROGRAM OF VISITS

Between November 10 and November 17, train number 1 was scheduled to visit Wilmington, Del.; Trenton, N. J.; Bridgeport, Conn.; Providence, R. I.; and Lynn, Mass. The rest of the schedule is as follows: November 18, Portland, Maine; November 19, Bangor, Maine; November 20, Berlin, N. H.; November 21, Rutland, Vt.; November 22-24, Worcester, Mass.; November 25-27, Springfield, Mass.; November 28, Waterbury, Conn.; November 29, Poughkeepsie, N. Y.; December 1, Albany, N. Y.; December 2, Utica, N. Y.; December 3, Syracuse, N. Y.; December 4, Binghamton, N. Y.; December 5, Scranton, Pa.; December 6, Reading, Pa.; December 8, Harrisburg, Pa.; December 9, Greensboro, N. C.; December 10, Charlotte, N. C.; December 11, Greenville, S. C.; December 12, Atlanta, Ga.; December 13, Macon, Ga.; December 15, Tampa, Fla.; December 16, Jacksonville, Fla.; December 17, Columbia, S. C.; December 18, Raleigh, N. C.; and December 19, Richmond, Va.

Train number 2, between November 10 and November 17, was to visit Pittsburgh, Pa.; Buffalo, N. Y.; Erie, Pa.; and Akron, Ohio. The rest of the schedule is: November 18, Akron, Ohio; November 19, Youngstown, Ohio; November 21, Toledo, Ohio; November 22, Lansing, Mich.; November 24, Muskegon, Mich.; November 25, South Bend, Ind.; November 26 and 27, Milwaukee, Wis.; November 28, Madison, Wis.; November 29 to December 1, Minneapolis, Minn.; December 2 and 3, Rock Island, Ill.; December 4, Des Moines, Iowa; December 5, Omaha, Neb.; December 6-8, Springfield, Ill.; December 9, Joliet, Ill.; December 10 and 11, Indianapolis, Ind.; December 12, Evansville, Ind.; December 13, Louisville, Ky.; December 15 and 16, Cincinnati, Ohio; December 17, Columbus, Ohio; December 18, Charleston, W. Va.; December 19, Lynchburg, Va.

From November 12-17, train number 3 was scheduled to visit Denver, Colo.; Billings, Mont.; and Salt Lake City, Utah. The rest of the schedule follows: November 18, Boise, Idaho; November 19, Spokane, Wash.; November 21 and 22, Seattle, Wash.; November 24, Portland, Oreg.; November 26, Sacramento, Calif.; November 27 and 28, San Diego, Calif.; November 29, Phoenix, Ariz.; December 1, El Paso, Tex.; December 3, San Antonio, Tex.; December 4, Houston, Tex.; December 5, Dallas, Tex.; December 6, Oklahoma City; December 8, Little Rock, Ark.; December 9, Memphis, Tenn.; December 10, Jackson, Miss.; December 11 and 12, New Orleans, La.; Mobile, Ala.; December 15, Birmingham, Ala.; December 16, Nashville, Tenn.; December 17, Chattanooga, Tenn.; December 18, Knoxville, Tenn.

TRANSPORTATION . . .

Consider needs of whole industry, avoid hoarding supplies, truck operators urged

Speaking before the National Transportation and Maintenance Meeting of the Society of Automotive Engineers at Cleveland, Ohio, November 14, Chairman John L. Rogers of the Central Motor Transportation Committee, Transportation Division, OEM, urged the motor-transport industry "to think in terms of 'industry problems,' as well as 'individual problems,' and to be mutually helpful in bearing the burden and privilege of national defense."

"I hope that the priority orders already issued by OPM will satisfactorily fulfill their purpose," said Mr. Rogers, "which is to see that manufacturers are provided with a sufficient supply of materials to meet the civilian demand for vehicles and parts in the medium and heavy commercial vehicle fields."

Maintain reasonable inventories

"The fear of coming shortages in motor-vehicle parts may have induced some operators to lay in stocks which will cover their needs for a considerable period. It is easy to understand their attitude, perhaps, for it is the duty of a good operator, or any other kind of businessman, to anticipate the future as best he can. But there is a distinction between 'preparedness' and plain downright 'hoarding,' and our bus and truck operators must not lay themselves open to criticism on this score. The quickest way to create a shortage is for everyone to order a lot more than he reasonably needs, and this is just as true of sugar as it is of truck or bus parts. Heavy buying by some operators should not be allowed to harm those users who are endeavoring only to maintain reasonable inventories. I would even go so far as to urge fleet users who may have stocked up more than necessary on certain items to make these available to their factory branches or jobbers in case of need."

Don't give up too easily

"One point to remember is that when things get tough, a little ingenuity is very helpful. Judging from some of the correspondence I receive at Washington,

there are operators who give up all too easily if their first attempt to obtain parts is unsuccessful. Suppose an operator needs a new axle. His dealer can't supply him, nor can the nearest factory branch, but he shouldn't abandon hope at that. There aren't many manufacturers of axles and exactly the same type of axle our operator needs is used in many other makes of trucks. Let him try all the truck dealers in his vicinity, and he may find what he needs. The same applies to other parts and materials; if the first cupboard is bare, try another, and then another!"

Pamphlet outlines vehicle care

The Central Motor Transportation Committee is working on a pamphlet "which will be to the motor transport field what the famous Government guide on 'The Care and Feeding of Infants' is to another form of civilian activity! This pamphlet, primerlike in its simplicity, will be addressed primarily to the one- or two-truck operator, and will instruct him, in the most palatable manner possible, as to how to care for his vehicles and thereby contribute to the national defense."

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Export traffic hits new high

Cars of export freight, other than grain or coal, unloaded at Atlantic, Gulf, and Pacific ports in October this year totaled 63,413 cars, the largest number unloaded in any one month since the compilation of these statistics began in November 1939, according to reports furnished to Ralph Budd, Transportation Commissioner, by the Association of American Railroads.

This exceeded by 7,174 cars the previous high record established in September this year. In October 1940, there were 47,559 cars unloaded.

Cars of grain for export unloaded in October this year at these ports totaled 3,232 compared with 685 in the same month last year.

No congestion or delay to traffic exists at any of the Atlantic, Gulf, or Pacific ports, due to the cooperation of railroads, steamship lines, port authorities, exporters, and shippers.

Railroads increase fuel stores for own use

On November 1, the railroads had 9,533,000 tons of coal stored for their own use, an increase of 74 percent over the 5,480,000 tons which were stored on November 1, 1940.

On the basis of present daily consumption the November 1 stock pile represents 34 days' supply as compared to 23 days' supply a year ago.

When coal-mining operations were resumed early in May after the April stoppage, railroad fuel stocks had dwindled to 2,538,000 tons. The industry was then urged in view of probable increased traffic to build up their stock pile during the summer months when coal demands are consistently lowest. Commissioner Budd has expressed to the industry his gratification at the performance they have made in this respect since that time.

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CARLOADINGS CONTINUE SEASONAL DECLINE

Revenue freight carloadings during the week ended November 8 totaled 873,585 cars, an increase of 12.2 percent over the 778,318 cars loaded during the corresponding week in 1940, but a decrease of about 21,000 cars under the loadings for the week ended November 1, indicating a continuation of the seasonal decrease previously recorded.

The details for major commodities for the week ended November 8 and the corresponding week in 1940 follow:

CARLOADINGS—WEEK ENDED NOVEMBER 8

	1941	1940	Percent Increase
Grain and grain products.....	35,532	33,815	5.1
Livestock.....	18,766	16,576	13.2
Coal.....	164,563	135,083	21.8
Coke.....	13,437	11,817	13.7
Forest products.....	42,455	38,799	9.4
Ore.....	55,945	55,667	2.3
Merchandise l. c. l.....	158,966	156,337	1.7
Miscellaneous.....	382,916	330,224	16.0
Total.....	873,585	778,318	12.2
Cumulative, 45 weeks.....	36,689,690	31,432,631	16.7

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Farm, school, and community gardening urged rather than "plowing up lawns"

In a recent report to Secretary Claude R. Wickard, the Department of Agriculture garden committee recommended greater emphasis on farm gardens and expansion of school and community gardening to help provide better nutrition in both rural and urban areas.

The committee held that while there have been many suggestions for "emergency," "defense," or "war" gardens, there is no emergency in sight that would warrant intensive city home vegetable garden campaigns.

Some vegetables left in fields

The commercial vegetable acreage goals for next year under the USDA farm-defense program, the committee points out, provide for even greater supplies than the abundant production of this year which, in many areas, required extensive Government purchases to support prices. Of the \$84,432,195 spent by the Surplus Marketing Administration for farm surpluses for direct distribution during the last fiscal year, \$14,333,908 was spent for surplus vegetables. Even then some vegetables were left in the field because prices were not high enough to pay harvesting and transportation costs.

The committee felt that school and community gardens under the supervision of trained volunteer leaders should make a valuable defense contribution. Services of county extension agents and agricultural teachers would be available to advise local garden project leaders. Of the 67,000 schools that received surplus commodities last year, about 9,000 had school garden projects operating in conjunction with the school lunch programs. About 9,500 had canning projects to provide supplemental food supplies.

Community gardens useful

Expansion of community gardens where adequate space and suitable soil are available was recommended as a means of supplementing supplies of vegetables and other farm commodities purchased by the Government and distributed through State relief agencies to needy families as well as for school lunch programs.

Farm production goals for 1942 provide for an increase of about 90,000 acres in commercial vegetable production. The goals also call for an increase of 1,300,000 in the number of farm gardens.

Some garden supplies will be short. From the standpoint of conservation of seed supplies, fertilizer, and spray materials, the committee said that more efficient use could be expected on farms and by small town and suburban gardeners who usually have better soil, more skill, and greater opportunity for production than is available to city gardeners. Improving ornamental and landscape plantings about city homes was suggested as an alternative to turning city lawns into vegetable gardens.

Special effort by the Department of Agriculture to make its gardening information available to all interested individuals and organizations was recommended as an aid in achieving the best results.

Don't plow up lawns, says Wickard

Commenting on the report of the committee, Secretary Wickard said, "I hope there will be no move to plow up the parks and the lawns to grow vegetables as in the first World War. Goals for commercial vegetable production for next year are based on a thorough canvass of the needs for improved nutrition and on prospective demand."

Noncritical materials available for small farm buildings

The U. S. Department of Agriculture pointed out last week that farmers do not need to secure priorities for ordinary, small farm structures which do not use critical metals.

"There is no priority control on lumber, concrete, stone, brick and glass, and about 70 percent as many nails as in 1940 are available. Farm structures using these materials alone are not affected by the recent housing order," David Meeker, assistant director of the Office of Agricultural Defense Relations, said.

"Farm structures which require materials under priority control should not be planned at this time, unless a clear-cut case can be made that the structure is essential to the defense program.

"In other words, a farmer should have no trouble getting materials to build a chicken house or small barn, but any structure using plumbing or central heating equipment or structural steel or similar scarce materials would have to be examined very carefully under recent Office of Production Management orders," Mr. Meeker said.

Erosion is a factor in power shortage, Soil Conservation Service chief asserts

Power losses and shortages in the Southeast may be traced to soil erosion as well as reduced stream flow, the Soil Conservation Service of the Department of Agriculture has reported.

Silting surveys conducted by the Soil Conservation Service in the Carolinas, Georgia, and Alabama show that in an average period of 25 years, water storage capacities of major power reservoirs have been reduced by 370,000 feet. All these reservoirs are located in farming country, and most of the sediment is washed from farm lands.

Danger if present rate continues

Dr. H. H. Bennett, chief of the Service, said sedimentation can be reduced to only a small fraction of existing rates if adequate conservation measures are applied on watersheds and reservoirs. If the present rate of silting continues, Dr. Bennett warned, the Southeast will

eventually face severe shortages of water storage possibilities.

Conservation covers 105,000,000 acres

In the Southeastern States, farmers have organized 105 soil conservation districts embracing 105 million acres. The Service provides technical help for survey and farm planning work, certain materials and labor where they are needed to get conservation measures started. Recommended conservation measures include reforestation, terracing, strip-cropping, contour farming and retirement of severely eroded land to permanent legume and grass crops.

Dr. Bennett cites work on the High Point, N. C., reservoir watershed as an example of how conservation work keeps silt out of the reservoirs. The program has in 5 years reduced the load of silt, soil, and debris carried into the reservoir 25 percent.

PURCHASES . . .

73 Certificates of Necessity in 2 weeks

A total of 73 Certificates of Necessity were issued to 69 corporations from October 16 to 31, inclusive, the National Defense Advisory Commission announced this week. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$7,600,000.

Alvey Conveyor Manufacturing Co., St. Louis, Mo.; conveying machinery; \$22,000.
Allied Products Corporation, Detroit, Mich.; aircraft engine and machine gun parts; \$293,000.

American Car & Foundry Co., New York, N. Y.; mine sweepers and steel tank lighters; \$20,000.

Anaconda Wire & Cable Co., New York, N. Y.; shipboard cable; \$56,000.

Axelsson Manufacturing Co., Vernon, Calif.; engine lathes and landing gear rollers for airplanes; \$34,000.

The Barrett Co., New York, N. Y.; carbolic oil, etc.; \$106,000.

The Bassick Co., Bridgeport, Conn.; ammunition racks and trays for light tanks; \$4,000.

Bendix Aviation Corporation, South Bend, Ind.; aircraft carburetors and other parts; \$31,000.

Bethlehem Steel Co., Bethlehem, Pa.; armor bolts, studs and nuts; \$215,000.

The Bodine Corporation, Bridgeport, Conn.; machine tools; \$14,000.

Bohn Aluminum & Brass Corporation, Detroit, Mich.; component parts for fuzes, boosters, etc.; \$9,000.

Bucyrus-Erie Co.; South Milwaukee, Wis.; gun mounts, drills, dredges, etc.; \$46,000.

The C. M. Tool & Die Co., Inc., Milwaukee, Wis.; gages, tools, dies, etc.; \$4,000.

Chicago Metal Hose Corporation, Maywood, Ill.; metal hose and tubing, coupling, etc.; \$737,000.

Chrysler Corporation, Detroit, Mich.; anti-aircraft guns and parts; \$1,039,000.

Colgate-Larsen Aircraft Co., Amityville, L. I., N. Y.; airplane parts; \$14,000.

Consolidated Machine Tool Corporation, Rochester, N. Y.; lathes, boring mills, etc.; \$46,000.

Cordero Mining Co., Philadelphia, Pa.; prime virgin quicksilver; \$93,000.

Detroit Tap & Tool Co., Hamtramck, Mich.; gages; \$30,000.

The Dumore Co., Racine, Wis.; tools, dies, etc.; \$7,000.

E. I. duPont de Nemours & Co., Inc., Wilmington, Del.; methylmethacrylate, cast sheets for aircraft; \$30,000.

Electric Vacuum Cleaner Co., Inc., East Cleveland, Ohio; metal parts for fuzes \$42,000.

The Fafnir Bearing Co., New Britain, Conn.; ball bearings; \$593,000.

The Farmers Equity Union, Rhame, N. D.; grain storage; \$5,000.

The Fenn Manufacturing Co., Hartford, Conn.; aircraft motor parts, machine gun parts, etc.; \$17,000.

Fitchburg Engineering Corporation, Fitchburg, Mass.; machine tools; \$28,000.

General Mills, Inc., Minneapolis, Minn.; cylinders, torpedo directors and indicators; \$39,000.

Goodyear Fabric Corporation, Akron, Ohio; barrage balloons; \$68,000.

V. L. Graf Co., Detroit, Mich.; hydraulic couplings and accessories; \$32,000.

The G. A. Gray Co., Cincinnati, Ohio; machine tools; \$2,000.

A. P. Green Fire Brick Co., Mexico, Mo.; fire bricks, etc.; \$109,000.

Hammond Aircraft Co., South San Francisco, Calif.; aircraft parts, etc.; \$52,000.

Hercules Machine Tool & Die Co., Detroit, Mich.; gages, dies, etc.; \$2,000.

Hobart Bros. Co., Troy, Ohio; motor generators, welders, compressors, etc.; \$111,000.

The Langley Instrument & Machine Co., San Diego, Calif.; airplane parts and instruments; \$29,000.

LeTourneau Co. of Ga., Toccoa, Ga.; earth-moving machinery; \$253,000.

R. G. LeTourneau, Inc., Peoria, Ill.; earth-moving machinery; \$267,000.

Liberty Tool & Die Corporation, Rochester, N. Y.; tools, dies, fixtures, jigs, etc.; \$160,000.

Louisiana Power & Light Co., New Orleans, La.; electric current; \$71,000.

Louisville & Nashville Railroad Co., Louisville, Ky.; transportation; \$6,000.

Maine Steel, Inc., South Portland, Maine; marine hardware; \$8,000.

Matson Navigation Co., San Francisco, Calif.; repairing, etc., of ships; \$92,000.

Michigan Limestone & Chemical Co., Rogers City, Mich.; limestone; \$495,000.

Missouri Institute of Aeronautics, Sikeston, Mo.; flying instructions; \$45,000.

Monsanto Chemical Co., St. Louis, Mo.; sulfuric acid; \$460,000.

The Mosler Safe Co., Hamilton, Ohio; light armor plate; \$5,000.

The National Twist Drill & Tool Co., Detroit, Mich.; twist drills, etc.; \$12,000.

Novelty Ornamental Iron & Wire Works, Inc., Seattle, Wash.; light structural steel and iron fabrication; \$12,000.

The Pennsylvania Railroad Co., Philadelphia, Pa.; transportation; \$87,000.

F. C. Phillips, Inc., Stoughton, Mass.; screw-machine products; \$16,000.

Pittsburgh Steel Co., Pittsburgh, Pa.; cold-drawn and pressure tubing; \$113,000.

Pressed & Welded Steel Products Co., Inc., Long Island City, N. Y.; shock mountings, control cases and cover, etc.; \$10,000.

The Producers Marketing Co., Minneapolis, Minn.; grain storage; \$8,000.

Rice Barton Corporation, Worcester, Mass.; castings for machine tools; \$75,000.

John A. Roebling's Sons Co., Trenton, N. J.; copper strand for welding cable; \$15,000.

The Russell Manufacturing Co., Middletown, Conn.; cotton webbing for military equipment; \$77,000.

Sangamo Electric Co., Springfield, Ill.; transmitters, condensers, capacitors; \$19,000.

Scovill Manufacturing Co., Waterbury, Conn.; metal parts for fuzes and boosters; \$87,000.

Semet-Solvay Co., New York, N. Y.; coal and byproducts; \$437,000.

The Simonds Gear & Manufacturing Co., Pittsburgh, Pa.; steel cast and forged gears; \$10,000.

Sloss-Sheffield Steel & Iron Co., Birmingham, Ala.; brown ore for pig iron; \$126,000.

Southern States Equipment Corporation, Birmingham, Ala.; boosters; \$8,000.

Stewart-Warner Corporation, Chicago, Ill.; depth charges, booster extenders, etc.; \$32,000.

The O. S. Walker Company, Inc., Worcester, Mass.; grinders and chucks; \$3,000.

The Weatherhead Co., Cleveland, Ohio; fuzes and automatic screw machine products; \$152,000.

Wilputte Coke Oven Corporation, New York, N. Y.; coke and byproducts; \$29,000.

The Winslow Marine Railway & Shipbuilding Co., Inc., Seattle, Wash.; mine sweepers; \$255,000.

Worth Steel Co., Claymont, Del.; sheared steel plates; \$175,000.

York Electric & Machine Co., York, Pa.; machined parts for guns and tanks; \$8,000.

\$51,863,888 War Department contracts

Defense contracts totaling \$51,863,888 were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period November 6 through November 12. This compares with a total of \$549,712,265 for the previous week.

CONSTRUCTION

Chrysler Corporation, Detroit, Mich.; expansion of Detroit Tank Arsenal to provide additional buildings, purchase of jigs, dies, tools, fixtures, materials and equipment; \$18,875,000. (Total estimated cost of plant now \$38,875,000.)

E. J. Pinney Co., Inc., Springfield, Mass.; construction of gun stock shop, Springfield Armory, Mass.; \$556,760.

Bendix Aviation Corporation, Eclipse Aviation Division and Pioneer Instrument Division, Bendix and East Orange, N. J., Philadelphia, Pa., Rochester, N. Y., Laconia, N. H., and Baltimore, Md.; additional plant and equipment for manufacturing aircraft parts, accessories, and instruments; \$11,816,000. (Total for these facilities now \$23,316,000. Defense Plant Corporation agreement of lease.)

Briggs Manufacturing Co., Detroit, Mich.; additional machinery and equipment for use in Connor Avenue plant for production of aircraft parts; \$1,048,143. (Defense Plant Corporation agreement of lease.)

Bendix Aviation Corporation, Scintilla Magneto Division, Philadelphia, Pa., and Sidney, N. Y.; additional plant facilities for manufacture of aircraft parts, accessories and instruments; \$645,308. (Total advanced by Defense Plant Corporation agreement of lease now \$3,195,308.)

EQUIPMENT AND SUPPLIES

American Cyanamid Co., Calco Chemical Division, New York, N. Y. (for manufacture at Bound Brook, N. J.); aniline oil; \$537,999.

Anaconda Wire & Cable Co., New York, N. Y. (for manufacture at Pawtucket, R. I.); wire; \$758,100.

General Cable Corporation, New York, N. Y. (for manufacture at Rome, N. Y., Buffalo, N. Y., and Perth Amboy, N. J.); wire, \$2,384,859.

Thompson Products, Inc., Cleveland, Ohio; fuel pumps; \$1,461,075.

AIRCRAFT

The Steel Products Engineering Co., Springfield, Ohio; machine gun turret assemblies; \$8,611,416.

Goodyear Tire & Rubber Co., Akron, Ohio; rayon landing wheel casings; \$1,093,281.

Clark Equipment Co., Battle Creek, Mich.; tractors; \$1,863,552.

Sharpville Steel Fabricators, Inc., Sharpville, Pa.; tanks and gaskets; \$955,200.

General Motors Corporation, Aeropropellers Division, Dayton, Ohio; propeller blade assemblies; \$725,000.

Jacobson & Co., Inc., New York, N. Y.; portable engine test houses; \$534,195.

Complete list of priority orders and forms

The following material is a new tabulation of M orders, P orders, E orders and L orders issued by the Division of Priorities, through early November.

Forms used in relation to the orders, or instructions as to how to obtain the forms, are available at Priorities district field offices.

M ORDERS

The list given below is a compilation of orders issued so far by the Division of Priorities, Office of Production Management, to put the distribution of various commodities under industry-wide control.

The typical order in this class is imposed on the supply of a raw material—for example, zinc; it defines "defense orders" and provides that such orders must be given preference over nondefense orders; it sets up various rules and regulations governing the distribution of the material.

The M order (M for material) differs completely from the limited blanket-rating order in the P series. An M order, for example, tells how a given material may be distributed; a P order helps the company or companies holding it to get the material. Thus an M order regulates distribution of steel, while a P order has been granted to freight car builders to help them get steel.

The M orders, effective dates, and form numbers where forms are used:

M-1, Aluminum, March 22, 1941, PD-8, 26; M-1-a, Supplementary Order—Schedule of Preference Ratings, March 22, 1941, PD-39, 40; M-1-b, Supplementary Order—modifies M-1 and M-1-a with respect to deliveries of low-grade aluminum, April 11, 1941; (Extension)—extends M-1, M-1-a and M-1-b to December 31, 1941. NOTE.—M-1-b repealed by PRO M-1-c; M-1-c, Supplementary Order—To direct the distribution of aluminum scrap and secondary aluminum, June 10, 1941.

M-2, Magnesium, March 24, 1941; M-2-a, Supplementary Order, March 24, 1941; (Extension)—Extends M-2 to September 30, 1941, April 2, 1941; M-2-b, Magnesium, November 14, 1941.

M-3, Tungsten, March 26, 1941, PD-9; M-3-a, Supplementary Order—Preference Rating Schedule, March 26, 1941; (Extension)—Extends M-3 and M-3-a to August 31, 1941, June 20, 1941. NOTE.—M-3 and M-3-a revoked by GPO M-29, issued August 30, 1941.

M-4, Neoprene, March 28, 1941, PD-7, 36. NOTE.—M-4 expired June 30; included under provisions of M-13 issued June 9, 1941.

M-5, Nickel-bearing steel, April 10, 1941, PD-10, 11, 17, 18; M-5-a, Supplementary order, April 10, 1941; (Amendments), April 30, 1941; M-5-b, Supplementary order, June 17, 1941. NOTE.—M-5, M-5-a and M-5-b, as amended, revoked by GPO M-21-a issued September 16, 1941.

M-6, Nickel, May 15, 1941, PD-27; M-6-a, Primary nickel, September 30, 1941. NOTE.—Revokes M-6.

M-7, Borax and boric acid, June 9, 1941, PD-31; M-7-a, Supplementary order—Ex-

tends M-7 to July 30, 1941, July 3, 1941; (Extension)—Extends M-7 to August 30, 1941. NOTE.—M-7 expired August 30, 1941.

M-8, Cork, May 31, 1941, PD-28, 29, 51; M-8-a, Cork end products and material of which cork is a component, October 1, 1941; (Interpretation), October 16, 1941.

M-9, Copper, May 29, 1941, PD-12, 37, 59, 60, 60a; (Amendment), June 10, 1941; (Amendment), July 9, 1941; M-9-a, Supplementary order—Supersedes M-9, as amended, August 2, 1941; M-9-b, Copper scrap and copper base-alloy scrap, October 1, 1941, PD-130; M-9-c, Conservation order—curtailing the use of copper in certain items, October 21, 1941, PD-167, 169; (Amendment), November 1, 1941.

M-10, Polyvinyl Chloride, June 9, 1941, PD-7, 33, 36.

M-11, Zinc, July 1, 1941, PD-50a, 62, 20; (Amendment), July 1, 1941; M-11-a, Supplementary order, July 1, 1941; M-11-b, Supplementary order, August 1, 1941; M-11-c, Supplementary order, September 1, 1941; (Interpretation)—to M-11, as amended, September 15, 1941; M-11-d, Supplementary order, October 1, 1941. (Amendment)—to M-11, as amended, October 16, 1941; M-11-e, Supplementary order, November 1, 1941.

M-12, Cotton linters, August 10, 1941; (Extension)—Extends M-12 to July 31, 1942, September 10, 1941; (Amendment, as extended), November 5, 1941.

M-13, Synthetic rubber (includes neoprene), June 9, 1941, PD-7, 33, 36.

M-14, Tungsten high-speed steel, June 11, 1941.

M-15, Rubber, June 20, 1941, PD-49, 49a; M-15-a, Supplementary order, June 27, 1941; (Amendment), August 4, 1941; (Amendment)—white sidewall tires, August 8, 1941; (Amendment), November 12, 1941.

M-16, Tricresyl and triphenyl phosphates, August 30, 1941.

M-17, Pig iron, August 1, 1941, PD-70, 71a, 71b, 71c, 69; (Amendment), October 13, 1941.

M-18, Chromium, July 7, 1941, PD-53a, 53b, 54, 55; (Amendment), August 22, 1941.

M-19, Chlorine, July 26, 1941, PD-158b, 158c, 159a, 159b, 159c.

M-20, Calcium-Silicon, July 29, 1941, PD-72.

M-21, Steel, August 9, 1941, PD-69, 70, 73, 169; (Amendment), September 9, 1941;

M-21-a, Supplementary order—Relating to alloy iron, alloy steel, and wrought iron, September 16, 1941, PD-73; M-21-b, Supplementary order—Relating to steel warehouses, September 3, 1941, PD-83, 83a; (Directive)—Warehouse shipments—assigns A-9). September 26, 1941; (Amendment), October 14, 1941. NOTE.—M-5, M-5-a, M-5-b, as amended, revoked by M-21-a.

M-22, Silk, July 26, 1941; (Amendment), August 2, 1941; (Amendment), August 12, 1941; (Interpretation), August 26, 1941; (Amendment), October 16, 1941; (Amendment, as amended October 16, 1941), October 28, 1941.

M-23, Vanadium, August 14, 1941, PD-84.

M-24, Iron and steel scrap, October 11, 1941, PD-149, 150, 151.

M-25, Formaldehyde, paraformaldehyde, hexamethylenetetramine and synthetic resins, August 23, 1941; (Amendment), August 28, 1941; (Amendment No. 2), October 1, 1941.

M-26, Silk waste, silk noils, and garnetted or reclaimed silk fiber, August 8, 1941, PD-91; (Amendment), September 5, 1941.

M-27, Phenols, August 30, 1941, PD-1; (Amendment), November 10, 1941.

M-28, Chlorinated hydrocarbon refrigerants, August 2, 1941.

M-29, Tungsten, August 31, 1941, PD-9;

M-29-a, Supplementary order, October 13, 1941, PD-9. NOTE.—M-3 and M-3-a revoked by GPO M-29.

M-30, Ethyl alcohol and related compounds, August 28, 1941.

M-31, Methyl alcohol, August 28, 1941; (Amendment), November 12, 1941.

M-32, Potassium perchlorate, August 28, 1941.

M-33, Potassium permanganate, August 28, 1941.

M-34, Toluene, August 28, 1941, PD-1.

M-35, Phosphorus oxychloride, August 30, 1941.

M-36, Manila fiber and manila cordage, August 29, 1941, PD-128; (Amendment), October 14, 1941, PD-129.

M-37, Rayon yarn, September 13, 1941, PD-102, 103, 104; M-37-a, Supplementary order (Interpretation No. 1), October 1, 1941, PD-112, 113.

M-38, Lead, October 4, 1941, PD-124; M-38-a, Supplementary order, November 1, 1941.

M-39, Cobalt, November 4, 1941.

M-40, Sperm oil, October 16, 1941.

M-41, Chlorinated hydrocarbon solvents, October 15, 1941, PD-127.

M-46, Chlorinated rubber, November 1, 1941, PD-144.

P ORDERS

The following list is a tabulation of limited blanket ratings issued so far by the Division of Priorities.

P-1, material for the production of electric traveling cranes, March 12, 1941, A-1-c. NOTE.—Revoked by PRO P-5.

P-2, material for the production of machine tools, March 28, 1941, A-1-a, PD-6. NOTE.—Revoked by PRO P-11.

P-3, material entering into the production of airframes, April 29, 1941, A-1-d, PD-13; (Extension No. 1)—Extends P-3 to October 31, 1941, September 18, 1941; (Extension No. 2)—Extends P-3 to December 31, 1941, October 27, 1941.

P-4, material entering into the production of airplane engines and propellers, April 29, 1941, A-1-c, PD-14; (Extension No. 1)—Extends P-4 to October 31, 1941, September 18, 1941; (Extension No. 2)—Extends P-4 to December 31, 1941, October 27, 1941.

P-5, material entering into the production of cranes, May 26, 1941, A-1-a, PD-6; (Amendment), June 14, 1941. NOTE.—Revokes PRO P-1; P-5-a, material entering into the production of cranes and hoisting equipment, August 1, 1941, A-1-a. NOTE.—Revokes PRO P-5; P-5-b, material for the production of cranes and hoisting equipment, November 1, 1941, A-10 (or higher) PD-81, 81a. NOTE.—Supersedes PRO P-5-a.

P-6, Defense Supplies Rating Plan, May 31, 1941, A-10, PD-25, 25b, 25c, 25d, 25e; P-6-a, civil aircraft, repair parts and accessories, July 21, 1941, A-10, PD-25c-1, 25c-2; (Amendment), October 27, 1941.

P-7, material and equipment entering into production of merchant ship construction, June 12, 1941, A-1-a (1941), A-1-b (1942), A-1-c (1943), PD-30, 30a.

P-8, material entering into freight car construction, June 18, 1941, A-3, PD-38, 38a.

P-9-a, materials entering into the production of airframes for heavy bombers, June 26, 1941, A-1-b, PD-43, 43a; P-9-b, aircraft engines for heavy bombers, June 26, 1941, A-1-b, PD-44, 44a; P-9-c, aircraft propellers for heavy bombers, June 26, 1941, A-1-b, PD-45, 45a; P-9-d, gun turrets for heavy bombers, June 30, 1941, A-1-b, PD-48, 46a; P-9-e, gun sights, bomb sights and gunfire controls for heavy bombers, June 30, 1941, A-1-b, PD-47, 47a.

P-10, material and equipment entering into the conversion of ships, June 19, 1941, AA, PD-41, 41a.

P-11, material for the production of metal working equipment, July 1, 1941, A-1-a, b, c, PD-42, 42a. NOTE.—Revokes PRO P-2; P-11-a, material for the production of metal working equipment, September 30, 1941, As assigned, PD-81, 81a. NOTE.—Revokes PRO P-11; (Amendment), October 30, 1941.

P-12, aluminum scrap, June 26, 1941, A-10, PD-40.

P-13, material entering into the production of airframes, July 3, 1941, A-1-b, PD-52, 62a.

P-14-a, material and equipment entering into the construction of ship ways, July 12, 1941, A-1-a (1941), PD-56, 56a; P-14-b, material and equipment entering into the construction of ship ways, July 12, 1941, A-1-b (1942), A-1-b (1943), PD-56, 56a.

P-15, material for electrical relays and solenoid assemblies, July 11, 1941, A-1-d, PD-57, 57a.

P-16, material for radio receiving, transmitting and directional equipment, July 11, 1941, A-1-c, PD-58, 58a.

P-17, material entering into the production of canning machinery and equipment, July 9, 1941, A-2. NOTE.—P-17 expired August 31, 1941.

P-18, material entering into the production of cutting tool equipment, July 31, 1941, A-1-a, PD-6. NOTE.—Revoked by PRO P-18-a; P-18-a, materials for the production of cutting tools, August 28, 1941, A-1-a, PD-6, rev. NOTE.—Revokes PRO P-18.

P-19, material entering into the construction of defense projects, July 18, 1941, as assigned, PD-63, 63a; P-19-a, material entering into the construction of defense projects (limited to the Priorities Critical List), July 18, 1941, as assigned, PD-68, 68a; P-19-b, material entering into the construction of certain defense projects with protected delivery dates, July 30, 1941, as assigned, PD-68, 68a; P-19-c, material entering into construction of defense projects—publicly financed defense housing, as issued, as assigned; P-19-d, material entering into construction of defense projects—privately financed defense housing, September 9, 1941, as assigned; P-19-e, material entering into the construction of road projects, October 18, 1941, as assigned.

P-20, material entering into the construction of specified locomotives, July 21, 1941, A-3, PD-64, 64a.

P-21, material entering into the repair and rebuilding of steam, electric or diesel locomotives whether for railroad, mining or industrial use, July 21, 1941, A-3, PD-65, 65a.

P-22, repairs, September 9, 1941, A-10. NOTE.—PRO P-22 superseded by PRO P-22—Amended; Amended—repairs, maintenance, and supplies; October 16, 1941, A-10; (Interpretation No. 1), November 5, 1941; (Interpretation No. 2), November 5, 1941; (Amendment), November 10, 1941.

P-23, materials for the production of mining machinery and equipment, July 29, 1941, A-3.

P-24, material entering into the production of experimental research work, August 5, 1941, A-1-b, PD-74, 74a.

P-25-a, parts, accessories and equipment for light tanks, August 11, 1941, A-1-f, PD-81; P-25-b, light tanks, spare parts and accessories, August 11, 1941, A-1-f, PD-81; P-25-c, 30-caliber and 37-mm. guns, August 11, 1941, A-1-f, PD-81; P-25-d, gasoline and diesel engines, August 11, 1941, A-1-f, PD-81; P-25-e, material entering into the production of light tanks, October 14, 1941, A-1-f, PD-81.

P-26-a, parts, accessories and equipment for medium tanks, August 11, 1941, A-1-d, PD-81; P-26-b, medium tanks, spare parts and accessories, August 11, 1941, A-1-d, PD-81; P-26-c, 37-mm. and 75-mm. guns, August 11, 1941, A-1-d, PD-81; P-26-d, gasoline and diesel engines, August 11, 1941, A-1-d, PD-81; P-26-e, material entering into the production of medium tanks, October 9, 1941, A-1-d, PD-81.

P-29, Health Supplies Rating Plan, August 25, 1941, A-10, PD-79, 81; (Amendment No. 1), September 30, 1941.

P-31, materials for the production of foundry equipment and repair parts, September 5, 1941, A-1-b, PD-81.

P-32, parts for the maintenance and repair of farm machinery and equipment, August 20, 1941, A-10, PD-81, 88.

P-33, farm machinery and equipment, August 20, 1941, E-1, PD-81, 88; (Extension

No. 1)—extended to November 30, 1941, October 31, 1941.

P-38, material entering into the production of radio sondes, August 26, 1941, A-1-d, PD-6, 6a.

P-39, material for the production of arc welding and resistance welding machines, September 12, 1941, A-1-c, PD-81.

P-40, material for the production of industrial lift trucks, October 14, 1941, A-1-g.

P-41, material entering into the construction, maintenance and operation of defense projects, August 27, 1941, A-1-a, PD-6, 6a.

P-42, material entering into the production of canning machinery and equipment, August 21, 1941, A-3, PD-88, 93; (Amendment No. 1), September 30, 1941; P-42-a, material entering into the production of canning machinery and equipment, September 12, 1941, A-7, PD-6a; (Amendment No. 1), September 30, 1941.

P-43, research laboratories supplies and equipment, August 28, 1941, A-2, PD-93, 88, 107.

P-45, material for the production of fire apparatus, October 31, 1941, A-2.

P-46, utilities—maintenance, repair, and supplies, September 17, 1941, A-10; (Interpretation No. 1), September 23, 1941; (Interpretation No. 2), September 26, 1941; (Amendment No. 1), September 26, 1941; (Interpretation No. 3), September 30, 1941; (Interpretation No. 4), September 30, 1941; (Interpretation No. 5), November 5, 1941.

P-47, material entering into the maintenance and repair of air transportation facilities, September 6, 1941, A-3, PD-96.

P-51, material entering into the production of canning machinery and equipment, September 22, 1941, A-3, PD-6a.

P-52, material entering into the production of aircraft accessories, September 15, 1941, As assigned, PD-81, 108.

P-53, parts for the maintenance and repair of textile machinery and equipment, September 13, 1941, A-10, PD-81.

P-54, material entering into the production of defense products (motor trucks, truck trailers and passenger carriers), September 12, 1941, A-3 (Extension No. 1)—extending in effect to December 31, 1941, October 15, 1941; (Extension No. 2)—extending in effect to January 31, 1942, November 6, 1941.

P-55, material entering into the construction of defense housing projects, When issued, As assigned, PD-105, 105a, 105b.

P-56, mines—maintenance, repair, and supplies, September 22, 1941, A-1-a (emergency repairs), PD-119; (Interpretation No. 1), November 5, 1941, A-8.

P-57, material entering into the production of replacement parts for passenger automobiles and light trucks, September 18, 1941, A-10; (Extension No. 1).

P-58, material entering into the maintenance and operation of defense projects, Serial No. 1—Cerro de Pasco Copper Corporation, October 8, 1941. A-3: Serial No. 2—Andes Copper Mining Co., October 8, 1941, A-3; Serial No. 3—Chile Exploration Co., October 8, 1941, A-3; Serial No. 4—Braden Copper Co., October 8, 1941, A-3.

P-61, copper scrap and copper base alloy scrap, October 13, 1941, A-10, PD-126.

P-62, material for the production of laboratory equipment and reagent chemicals, November 15, 1941, A-5.

P-68, iron and steel production—maintenance, repair and supplies, October 31, 1941, A-3.

P-72, materials for elevator and escalator repair parts, November 10, 1941, A-3.

P-75, material entering into the production of defense products—(Tackle blocks), October 24, 1941, A-1-c.

P-77, material for the rebuilding of machine tools, November 10, 1941, A-1-c.

P-78, conveyor machinery, November 10, 1941, A-3. NOTE.—Where a gap appears in the series, this indicates that a pending order to which a P number has been assigned has not yet been issued.

E ORDERS

E stands for equipment. So far only machine tools and cutting tools have been covered by these orders. An E order is similar to an M order in that it affects the distributor of the item covered, so that defense needs can be filled first.

E orders issued so far are—

E-1, Machine tools, March 28, 1941; Supplementary order No. 1, July 7, 1941. NOTE.—Revokes E-1.

E-2, Cutting tools, July 17, 1941; (Amendment), July 26, 1941; Supplementary order, August 28, 1941. NOTE.—Revokes E-2, as amended.

L ORDERS

The L orders are limitation orders, setting limits on production of the materials or items covered. Orders issued so far in this series are—

L-1, to restrict the production of motor truck and public passenger carriers, August 30, 1941. NOTE.—Amended by L-1-a; L-1-a, to restrict the production of medium motor trucks, truck trailers, passenger carriers and replacement parts, September 12, 1941; (Extension No. 1)—extending in effect to December 31, 1941, October 15, 1941; (Extension No. 2)—extending in effect to January 31, 1942, November 6, 1941.

L-2, to restrict the production of passenger automobiles, September 13, 1941; L-2-a, supplementary order, October 24, 1941; L-2-b, supplementary order (elimination of bright work), October 27, 1941; L-2-c, supplementary order, November 7, 1941.

L-3, to restrict the production of light motor trucks, September 13, 1941; L-3-a, supplementary order, October 24, 1941; L-3-b, supplementary order, November 14, 1941.

L-4, to restrict the production of replacement parts used in the repair of passenger automobiles and light trucks, September 18, 1941; L-4-a, supplementary order, November 14, 1941.

L-5, to restrict the production of domestic mechanical refrigerators, September 30, 1941.

L-6, to restrict the production of domestic laundry equipment, October 29, 1941.

L-7, to restrict the production of domestic ice refrigerators, October 28, 1941.

L-8, to limit the distribution of motor fuel in the Atlantic Coast area, October 1, 1941, PD-131, 132, 133; (Amendment No. 1), October 21, 1941. NOTE.—L-8 terminated on October 24, 1941.

L-11, to restrict the use of chlorine in the manufacture of pulp and paper board, November 15, 1941.

L-13, to restrict the production of metal office furniture and equipment, November 7, 1941, PD-135, 136.

L-15, to restrict the consumption of waste paper, paper board and roofing mill plants in the East, October 25, 1941.

L-18, to curtail the consumption of electric power in the Southeastern Area, October 30, 1941.

L-20, to limit the use of cellophane and similar transparent materials derived from cellulose, November 8, 1941.

MISCELLANEOUS ORDERS

Priorities Regulation No. 1, August 27, 1941.

Priorities Regulation No. 2, September 9, 1941.

General Metals Order No. 1. NOTE.—Terminated September 23, 1941, Restrictions imposed covered by Regulation No. 1.

Suspension Order No. S-1, October 15, 1941.

MEDIATION BOARD . . .

Board passes week with no strikes on calendar; hearings open in three cases

Last week (November 10-16) was the first week in the National Defense Mediation Board's history when it had no strikes on its calendar. A survey showed that a total of 170,183 men in 27 cases were working on defense jobs at the Board's request pending disposition of their disputes.

On Monday, November 10, the Board issued its recommendations in the controversial captive coal mine case, following which all the CIO members and alternate members of the Board resigned. During the week the Board also issued recommendations in three other cases, opened hearings in three cases and received certification of one new case.

The week's happenings in the captive mine dispute are described on page 3. Details of the other cases are as follows:

International Harvester Co.

Two Federal Labor Unions, both AFL, represent the workers in the Rock Island, Ill., and Milwaukee, Wis., plants of the International Harvester Co., and hearings continued last week before a panel composed of Ralph Seward, George Mead, and William Calvin. On November 13, an interim statement was released on the two issues still in dispute between the union and the company—wages and union security. A special representative is to be appointed to investigate the wage question, who will report his findings both to the parties and to the Board. If agreement by direct negotiations cannot be reached, either party may bring the matter in before the Board again.

On the issue of union security, the Board stated that it is not prepared at this time to make any recommendation but recommended a clause to both parties which reads as follows:

"The company believes that the interests of its employees . . . are best served by their belonging to the union and urges all such employees to become and remain members of the union. The company will discipline any employee engaging in activity, on company time and property, tending to undermine the present status of the union."

Ingalls Shipbuilding

Findings and recommendations were issued November 12 in the dispute between the Ingalls Shipbuilding Corporation, Pascagoula, Miss., and the Pascagoula Metal Trades Council, AFL. Hearings had been held the latter part of October before a panel of Walter T. Fisher, Eugene Meyer and William Calvin, but no agreement had been reached on the point in dispute—union security. Both parties returned home to await the Board's recommendations. The Board recommended that a clause be inserted in the contract stating that the company looks with favor upon continuance of member-

ship in the union by all employees who are now members or who become members. It also provided for the appointment of a disinterested person by the NDMB to investigate complaints by the union that any supervisory employee of the company is not carrying out the policies set forth in the contract in good faith. It also provides that members of the union will be given preference in hiring when they have registered with the company's employment office and with the union's and are available within 24 hours.

The company, which employs about 3,000 workers, makes ships and has contracts with both the Navy Department and the Maritime Commission. A strike on October 13 was ended October 16 at the request of the Board.

Alabama Dry Docks

On November 10, a panel of Charles Wyzanski, Roger Lapham and Hugh Lyons issued its recommendations in the dispute between the Alabama Dry Docks and Shipbuilding Co., Mobile, Ala., and the Industrial Union of Marine and Shipbuilding Workers of America, CIO. Formal hearings on the issue in dispute—the union's request for a union shop—had been held in October. No agreement was reached at that time and both parties returned home with the understanding that further data could be submitted by both parties. The company contended that, since the existing contract between itself and the union does not expire until February 1942, it did not wish to open that contract to insert a union shop clause. On this point, the Board's recommendation was as follows:

"We recommend that until February 3, 1942, the relations between the company and the IUMSW shall be governed by the existing contract of February 3, 1941 modified to the extent required by the Gulf Zone Standards of July 18, 1941 and no further."

The Company employs about 4,800 workers engaged in the construction and repair of ships. A threatened strike at the yards had been postponed at the Board's request.

Chris Craft Corporation

Hearings before a panel composed of Walter Stacy, Frederick Fales and William Calvin opened November 13 in the dispute between the Chris Craft Corporation, Algonac, Mich., and a Federal Labor Union, AFL. However, because of official business in Michigan, it proved impossible for the company officials to remain in Washington and the hearings were postponed to November 21.

A strike had been called October 2 over the union's demand for a 10 cents per hour wage increase to be made retroactive to September 15. At the Board's request, the men returned to work November 7. The company employs 430 workers and makes rescue boats for advance bases for the Air Corps, and distribution box boats for QMC.

Robins Drydock

Hearings in the dispute between the Robins Dry Dock and Repair Co., Brooklyn, N. Y., and the Industrial Union of Marine and Shipbuilding Workers, CIO, were recessed after 2 days and both parties returned home to negotiate directly. Further hearings on the case are scheduled for November 24. The issues are union security, wages and working conditions. The company is engaged in ship repair work for both the United States and

Great Britain and has 7,200 men in its yard. A strike on October 27 was called off November 3 at the Board's request.

Bell Aircraft

After 3 days, hearings in the dispute between the Bell Aircraft Corporation, Buffalo, N. Y., and the United Automobile Workers, CIO, were postponed to November 21 at the union's request. The controversy arose over the union's demand for a union shop, check-off, and increases in the starting rate and general wages. A threatened strike of the company's 12,000 employees had been postponed at the Board's request. The company has defense contracts for airplanes.

New cases

The new case certified to the Board last week involved the Employers Waterfront Association of Seattle, Wash., and the International Longshoremen's Association, AFL. A hearing on this case is scheduled for Monday, November 24.

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Cooperative housing plan available to defense workers

A cooperative housing plan for defense workers, designed to provide homes at moderate cost for families with incomes between \$1,200 and \$1,800 a year, was announced November 14 by Charles F. Palmer, Coordinator of Defense Housing.

Under the plan, groups of workers may organize cooperatives and apply to the Federal Housing Administration for mortgage insurance under Defense Housing Title VI, which permits insurance up to 90 percent of the appraised value of the house.

Information concerning methods of financing, organization, and operation of the cooperative, may be obtained from the coordinator's office.

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Knudsen to be interviewed on OEM broadcast

Third in the OEM "Keep 'Em Rolling" radio variety show series will be broadcast from 10:30-11:00 p. m., Sunday night, November 23, over the Mutual Broadcasting station WOL in Washington.

OPM Director General Knudsen will be interviewed by Clifton Fadiman, master of ceremonies, on phases of defense production. There will also be a dramatization of the current Broadway play, "Watch on the Rhine," with Paul Lukas and Mady Christians, and other members of the original Broadway cast.

OPA issues urgent call for executive sales engineers in midcontinent area

Executive sales engineers with extensive experience in the industrial machinery field are urgently needed for important duties in the Office of Price Administration, Administrator Henderson announced November 12.

Only change since October 10

A number of positions in the Industrial and Agricultural Machinery Section are open to professional men with technical training and practical engineering background in the manufacture of pumps, compressors, blowers, elevators, conveyors, cranes, measuring instruments, mechanical stokers, boilers, valves, refrigeration and air-conditioning equipment, construction machinery, fabricating machinery, farm machinery, and electrical generating equipment.

Familiarity with the problems and methods of cost analysis, estimates, and production is highly desirable.

Salaries \$3,800 to \$5,600

Salaries range from \$3,800 to \$5,600 a year. There will be no written examinations. Applicants will be rated on experience and education. As time is short, engineers interested are asked to send in immediately a typewritten résumé of their experience, confined to a page if possible. Other information required is name, address, height, weight, date of birth, marital status, and education.

A record of past employment, beginning with the most recent position and working back, must be included. Photographs, if available, also are desired. Applicants are cautioned not to send original documents, since nothing will be returned.

Material should be addressed to Mr. Joel Dean, Office of Price Administration, Room 238, Temporary Building D, Independence Avenue and Sixth Street SW., Washington, D. C.

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Florsheim resigns as head of shoe section

Purchases Director MacKeachie announced November 13 that because of the pressure of private business, Harold Florsheim, chief of the shoe and leather products section in the textiles, clothing, and equipage branch, has found it necessary to return to Chicago.

Complete list of price schedules and forms

Following is a complete list of price schedules, as of November 11, by name, date of issuance, and the numbers of the Report and Affirmation of Compliance Forms relating to certain of these schedules:

Price Schedule No. 1, Second-Hand Machine Tools, issued February 17, 1941; section 1301.2 amended March 15, 1941, and April 9, 1941; Supplement No. 1 Issued May 7, 1941; Schedule amended in entirety, September 24, 1941. Form 100:1.

Price Schedule No. 2, Aluminum Scrap and Secondary Aluminum Ingot, issued March 24, 1941; correction (appendix A) May 7, 1941; sections 1302.5, 14 amended June 2, 1941; section 1302.5 amended August 14, 1941; amended in entirety, sections 1302.1 to 15, October 31, 1941.

Price Schedule No. 3, Zinc Scrap Materials and Secondary Slab Zinc, issued March 31, 1941; amended October 17, 1941.

Price Schedule No. 4, Iron and Steel Scrap, issued April 2, 1941; section 1304.6 amended April 9, 1941; revised (in entirety) May 7, 1941; amended (in entirety) June 18, 1941; section 1304.17 amended June 21, 1941; sections 1304.16, 17, 18 amended August 7, 1941; sections 1304, 16, 17 amended August 26, 1941; section 1304.17 amended September 5, and September 22, 1941; section 1304.16 amended September 26, 1941; section 1304.17 amended October 10, 1941. Form 104:8 (to be replaced shortly by new form).

Price Schedule No. 5, Bituminous Coal, issued April 2, 1941; Supplement No. 1 issued April 16, 1941; Revocation Order issued May 5, 1941.

Price Schedule No. 6, Iron and Steel Products, issued April 16, 1941; revised (in entirety) June 20, 1941.

Price Schedule No. 7, Combed Cotton Yarns, issued May 23, 1941; sections 1307.1, 7 amended June 19, 1941; correction by letter (section 1307.1); sections 1307.1, 7 amended July 19, 1941; section 1307.7 amended August 1, 1941. Form 107:1.

Price Schedule No. 8, Scrap and Secondary Materials Containing Nickel, issued May 29, 1941; section 1308.3a added June 26, 1941; sections 1308.9, 10, 11 amended September 5, 1941.

Price Schedule No. 9, Hides, Kips and Calfskins, issued June 13, 1941; sections 1314.7a, 15, 10, 11, 12 amended September 12, 1941; sections 1314.11b, 12b amended September 18, 1941; sections 1314.4, 11, 12 amended October 21, 1941; sections 1314, 12, 15 amended November 3, 1941. Form 109:2.

Price Schedule No. 10, Pig Iron, issued June 24, 1941.

Price Schedule No. 11, Cotton Grey Goods, issued June 27, 1941; section 1316.7 amended July 19, 1941; section 1316.2 amended August 8 and August 21, 1941; section 1316.7 amended October 4, 1941; section 1316.1, 7 amended October 20, 1941; section 1316.7 correction FR error. Form 111:2.

Price Schedule No. 12, Brass Mill Scrap, issued July 21, 1941; sections 1309.15, 18, 19 amended October 1, 1941.

Price Schedule No. 13, Douglas Fir Peeler Logs and Douglas Fir Plywood, issued August 1, 1941; section 1312.2 amended September 24, 1941.

Price Schedule No. 14, Raw Silk and Silk Waste, issued August 2, 1941; section 1338.8 amended September 30, 1941, and October 4, 1941. Form 114:1.

Price Schedule No. 15, Copper, issued August 12, 1941; sections 1309.51, 53, 60 amended August 28, 1941.

Price Schedule No. 16, Raw Cane Sugars, issued August 13, 1941; section 1334.10 supplement issued August 22, 1941; section 1334.11 supplement issued September 19,

1941; section 1334.9 amended October 23, 1941.

Price Schedule No. 17, Pig Tin, issued August 14, 1941; section 1333.10 amended September 19, 1941.

Price Schedule No. 18, Burlap, issued August 15, 1941. Form 118:2.

Price Schedule No. 19, Southern Pine Lumber, issued August 16, 1941; sections 1312.32, 34 amended September 3, 1941.

Price Schedule No. 20, Copper Scrap, issued August 18, 1941; amended (in entirety) October 10, 1941.

Price Schedule No. 21, Formaldehyde, issued August 20, 1941. Form 121:1.

Price Schedule No. 22, Pennsylvania Grade Crude Oil, issued August 22, 1941. Forms 123:1, 123:2.

Price Schedule No. 23, Rayon Grey Goods, issued August 23, 1941; sections 1337.14, 15, 16 amended October 2, 1941; section 1337.22 correction FR error.

Price Schedule No. 24, Washed Cattle Tail Hair, issued August 25, 1941. Form 124:1.

Price Schedule No. 25, Elimination of Speculative and Inflationary Price Practices with respect to Fats and Oils and their Products, issued August 28, 1941; sections 1343.1, 2, 10 amended September 11, 1941.

Price Schedule No. 26, Douglas Fir Lumber, issued September 11, 1941; sections 1312.51, 53, 56, 57, 58, 59 amended November 1, 1941.

Price Schedule No. 27, Anthracite, issued September 11, 1941; revoked September 18, 1941.

Price Schedule No. 28, Ethyl Alcohol, issued September 15, 1941. Form 128:1.

Price Schedule No. 29, By-Product Foundry and By-Product Blast Furnace Coke, issued September 18, 1941.

Price Schedule No. 30, Waste Paper Sold East of the Rocky Mountains, issued September 18, 1941; section 1347.10 amended October 18, 1941; sections 1347.8, 10 amended October 29, 1941. Form 130:1.

Price Schedule No. 31, Acetic Acid, issued September 24, 1941; section 1335.210 correction FR error. Form 131:1.

Price Schedule No. 32, Paperboard Sold East of the Rocky Mountains, issued September 30, 1941; sections 1347.61, 62 amended October 3, 1941; sections 1347.51, 56, 60 amended November 6, 1941. Form 132:1.

Price Schedule No. 33, Carded Cotton Yarns, issued October 3, 1941. Form 133:1.

Price Schedule No. 34, Wood Alcohol, issued October 3, 1941. Form 134:1.

Price Schedule No. 35, Carded Grey and Colored-Yarn Cotton Goods, issued October 18, 1941. Forms 135:1, 135:2.

Price Schedule No. 36, Acetone, issued October 20, 1941. Forms 136:1, 136:2.

Price Schedule No. 37, Normal Butyl Alcohol, issued October 20, 1941. Forms 137:1, 137:2.

Price Schedule No. 38, Glycerine, issued October 27, 1941. Forms 138:1, 138:2.

Price Schedule No. 39, Upholstery Furniture Fabrics, issued Nov. 10, 1941. Forms 139:1, 139:2.

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New research consultants

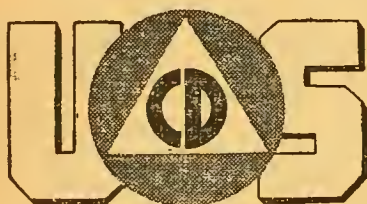
The Division of Purchases, OPM, announced November 14 three appointments to the staff of M. L. McElroy, research consultant.

Dr. John N. McDonnell, Meadow Brook, Pa., will be chief of research, health supplies; Edward L. Drew, Suffern, N. Y., chief of research, hides, skins, and leather; and Arthur W. Jones, Pleasantville, N. Y., chief of research, shoes, and leather products.

CIVILIAN DEFENSE . . .

OCD issues regulations on use of insignia by enrollees and manufacturers

The Office of Civilian Defense has released illustrations and specifications of dimensions, colors, and materials for 16 different insignia. Each of the activities in civilian defense, 15 in number, will have a distinctive design which the volunteer workers, after they have been enrolled and trained, will wear on white armbands or embroidered on the left



STAFF CORPS

More distinctive than the earlier form is the Civilian Defense Staff Corps insignia reproduced above. With the exception of this and the Nurses' Aides Corps emblem, the insignia listed on this page remain as depicted in DEFENSE July 29. Correct mats of all are available to newspapers and other publications on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

sleeve of uniforms, 1 inch below the shoulder seam.

The sixteenth design is the basic insignia bearing the initials "CD" (Civilian Defense) in red, enclosed in a white triangle which is superimposed on a circular blue field. This basic insignia will be worn on cap and uniform collar ornaments of all civilian defense workers.

Designs modern and simple

The designs are executed in modern and dramatic simplicity. A single flame designates fire watchers; a ladder, rescue parties; a steering wheel, drivers' corps. A flash of lightning symbolizes speed for messenger service. A drinking cup, a shovel, and a diving plane graphically indicate, respectively, emergency feeding, road repair, and bomb squads.

The 16 designs have been patented by the Office of Civilian Defense. Only manufacturers who are licensed by that organization will be permitted to fabricate or use any of the insignia in any

manner. The sale by licensed manufacturers of official insignia will be limited to designated defense councils.

Only enrollees may use them in official manner

Only enrolled civilian defense workers are entitled to wear any of the insignia as part of uniforms or on clothing in any way which would simulate official wear. This restriction applies to use as any part of clothing, caps, or hats. There is no restriction on the use of insignia on novelties, such as costume jewelry, belt buckles, cigarette cases, handkerchiefs, scarves, pocketbooks, etc. Lapel buttons, either for use on civilian coats, in the same manner as the American Legion button, or similar buttons, made with a safety pin catch for ladies, definitely come under restricted use by enrolled workers. The insignia used as part of the design of a woman's brooch, however, could be worn by anyone.

Civilian defense workers or their defense councils throughout the country will pay for all insignia themselves, with the possible exception of the official armbands. Congress has been asked to authorize sufficient funds to distribute the latter.

Licensed manufacturers listed

The OCD is preparing a list of manufacturers who have been licensed to fabricate the insignia on armbands made of cloth, and collar and cap made either of metal or embroidered cloth. The metal ornaments will be enameled in red, white and blue on gold. The embroidered emblems will employ the same colors without gold.

Optional choice between metal and embroidered insignia is given to defense worker groups when they purchase. Other official—though not required—use of insignia is confined to automobile plates, and flags or banners. The basic insignia only may be used on automobile plates.

On banners, the addition of gold stars in the number requisite to designate ranks is permitted. Banners bearing group insignia will be restricted to appropriate use by the groups so designated.

Designations of rank are made in a military manner "differing from either

the Army or the Navy. Black triangles indicate the lesser ranks; one black triangle designating "worker, first class"; two black triangles, "squad leader"; three black triangles, "section leader." These will be worn directly beneath the basic insignia on armbands or shoulder ornaments.

One silver pyramid denotes "captain of wardens", "assistant to chief," or "zone leader"; two silver pyramids designate "chief of local group" (wardens, etc.); three silver pyramids, "chief of service" (fire police, etc., local or State).

One gold star indicates "local coordinator of civilian defense"; two gold stars, "State coordinator of civilian defense"; three gold stars, "regional director of civilian defense" (or principal assistants to United States Director); four gold stars, "United States Director of Civilian Defense" (Mayor F. H. LaGuardia).

Dimensions regulated

Insignia of rank, with the exception of black triangles, will be worn on the lower sleeve in a vertical line, starting 4 inches from the bottom of the cuff and spaced at intervals of 1 inch, on both sleeves.



NURSES' AIDES CORPS

A red cross now distinguishes workers in the Civilian Defense Nurses' Aides Corps. The change from white was made by agreement with the American Red Cross after arrangements for necessary training of volunteers by that organization.

Each official or semiofficial use of insignia has definite designated dimensions. Armbands will be 5 inches deep. The insignia, on armbands, or sewn on the upper left sleeve of uniforms, will be 4 inches in diameter. Collar and cap ornaments will be 1¼ inches in diameter and the former will be worn on both uniform lapels. Stars will be one-half inch in diameter at the points. Pyramids and

triangles, five-eighths inch in diameter at the points.

Lapel buttons for men and pins for women will be one-half inch in diameter and must be worn in the buttonhole of the left lapel or pinned over the left breast. Automobile insignia (confined to cars or trucks employed in civilian defense) must come within the diameters of 4 to 12 inches. These emblems may be painted or enameled.

On helmets the basic insignia may be painted or stenciled the same size as other headgear ornaments—1¼ inch. The lapel buttons or pins for use on civilian clothing may employ all of the various official insignia, and are restricted to use by enrolled volunteers. They must be enameled in three colors on gold like the collar and cap ornaments, and are limited to one-half inch.

Only arm bands obligatory

Only armbands are prescribed as obligatory for use by defense workers. Collar and cap ornaments, shoulder insignia for uniforms, and lapel buttons for civilian dress are recommended, and their use will be recognized as official, although not demanded. Such use, like the wearing of uniforms, is strongly recommended to defense councils that can secure the funds.

Flags and banners for decorative purposes are not restricted, but are limited to the use of the basic insignia. There are no prescriptions for the size of banners. Like novelties, they may be purchased and displayed by any citizens regardless of whether or not they are enrolled defense workers.

The various civilian defense groups for which individual insignia have been created are: air raid warden, auxiliary police, bomb squad, auxiliary firemen, fire watcher, rescue party, medical corps, nurses' aides corps, messenger, drivers corps, emergency food and housing, demolition and clearance crew, road repair crew, decontamination corps, staff corps (basic insignia).

Manufacturers desiring to fabricate official or semiofficial insignia, or to incorporate any of the insignia in the design of any novelty articles, should apply for a license to the Office of Civilian Defense, Insignia Section, Dupont Circle Apartments, Washington, D. C. All insignia or articles should be submitted for approval. A royalty of 5 percent is to be paid to the Treasury of the United States by licensees.

"Enrolled Volunteer Worker Groups," an official publication of the Office of Civilian Defense, illustrates and describes all insignia.

How to plan and execute an effective blackout described in new 60-page pamphlet

"BLACKOUTS" a comprehensive 60-page pamphlet prepared by the War Department was issued November 14 by the Office of Civilian Defense.

"The effectiveness of a black-out system depends upon the knowledge and the cooperative spirit of the people at large," the foreword to the pamphlet says. "Civilian Defense agencies are responsible for the proper education of the people as to the reason for and the methods of producing black-outs. Based on this knowledge the enthusiastic cooperation of the people must then be evoked by continuing publicity of a progressive nature.

Advance planning important

"The proper authorities must present the vital seriousness of everything connected with black-outs. All concerned must realize fully that planning and advance preparation contribute most to the effectiveness of a black-out. This advance planning and preparation requires long, painstaking, and many times unnoticed, prior effort. Too often these efforts may appear to some to be expended on relatively unimportant details. But an effective black-out is not achieved by spectacular efforts at the beginning of or during an air raid. Except for meeting contingencies, little or nothing can be done to increase the effectiveness of a black-out while a raid is in progress.

"It is inherent strength of character which enables a people to survive air raids. The knowledge that everything that can be done has been done, will enable a people to stand by each other and care for themselves."

Scope of pamphlet

The first chapter, "Planning the Blackout," describes the purpose, scope, definitions, training, and procedure, action after black-outs and basic considerations in planning black-outs. It fixes responsibility for the execution of black-outs, their legalization and enforcement organization, as well as the education of the public, communications, and the extent and nature of lighting restrictions.

The second chapter, "Obscuration Methods and Materials," describes the treatment of glazed surfaces, the use of paint, adhesive treatments on glass, etc.

The third chapter, "Individual Persons and Dwellings," offers advice to the individual, describes black-out equipment

for street use, and conduct during an air raid.

Chapter four, "Stores, Factories, and Industrial Buildings," deals with maintenance of essential services, emergency communications, industrial light control, and ventilation.

Chapter five, "Utilities, Municipal Services, and Installations," covers utilities and municipal services, electric light and power.

The final chapter, "Transportation," covers motor transportation, the use of luminous materials, illuminated signs, traffic light signals, route numbers and direction signs, safety zones and obstructions, and motor vehicle black-out devices. It describes pedestrian crossing places and the duties of traffic police in black-outs as well as the highway traffic devices. Sections in this chapter deal with railroads and electric lines, electric street systems, elevated systems, water transportation, and air transportation.

Army engineers aid in publication

There is an extensive bibliography and an appendix describing type specifications for black-out materials and devices.

The pamphlet was prepared under the direction of the Chief of Engineers, United States Army, with suggestions of the National Technological Civil Protection Committee.

It is being distributed by the Office of Civilian Defense to the governors of the States and local defense councils through the State Defense Councils. It is available for 25¢ from the Superintendent of Documents, Washington, D. C.

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Agriculture experts take part in economic survey of Bolivia

Two experts of the Department of Agriculture will be members of a party organized to survey the resources of Bolivia. They are Wilbur A. Harlan of the Office of Foreign Agricultural Relations, and B. H. Thibodeaux of the Bureau of Agricultural Economics.

The survey, based on an exchange of notes between the Governments of Bolivia and the United States, will include a thorough technical and economic study of the agricultural and mineral potentialities of Bolivia, as well as the transportation and communication needs.

Nutrition values of food would be learned more readily by use of common terms—McNutt

Calling ignorance and misunderstanding major causes of malnutrition, Federal Security Administrator, Paul V. McNutt, as Director of Defense Health and Welfare Services, has called upon scientists to translate the newer knowledge of nutrition into words of common coinage. As an outstanding example of a scientific term which is likely to mislead the uninformed, he cited the important vitamin "nicotinic acid."

This substance, he pointed out, is essential to health, and is found in such familiar foods as lean meat, green vegetables, and milk. Yet food manufacturers and retailers have discovered that many people shy away from anything so labeled. Neither "nicotinic" nor "acid" sounds palatable.

In explaining his suggestion, Mr. McNutt continued, "Words, to the scientist, may be merely descriptive. But to ordinary people they often have the power to arouse loyalty or hate, belief or unbelief, confidence or skepticism.

Use "common or usual name"

The Food, Drug, and Cosmetics Act has specifically recognized the power of words when it has required that the ingredients of a package or product be labeled with their "common or usual names." The Food and Drug Administration is ready and willing to give due consideration to cases in which scientific nomenclature is a problem. It can, however, properly consider them only when

there is sufficient evidence (1) that there is no common and usual name and (2) that educational clarity and public interest will be served by a change.

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Oil burners restored to "good standing" for defense homes

In amendments effective November 15 to the Defense Housing Critical List and to Interpretation No. 1 of this list, the Priorities Division restored to good standing the use of oil burners in defense-housing construction on the Eastern Seaboard.

Because of the petroleum shortage existing at the time the original critical list was issued, the acquisition of oil burners for defense-housing units in certain Eastern States was not assigned the priority assistance applicable to other building materials.

A revised list of Defense Housing Critical Areas includes Sacramento, Calif.; Marion-Carbondale (Crab Orchard Lake), Ill.; and Bonham, Tex.

It has been found desirable further to encourage construction for rent, rather than for sale, and this has been done by assigning higher preference ratings than formerly to houses which will be rented by defense workers, since rental is better suited than purchase to their needs.

Furniture committee appointed to help industry

OPM Associate Director General Hillman announced November 12 formation of a furniture labor advisory committee to cooperate with the Government on industry problems such as those resulting from the recent priorities order curtailing the production of metal office furniture.

The committee, comprising 10 AFL and CIO leaders in the furniture industry, elected S. E. Hill, AFL representative, secretary.

Metal substitutes encouraged

Jesse Maury, chief of the electrical equipment and consumers' durable goods branch of the OPM Division of Civilian Supply, told the first meeting of the committee November 12 that his branch would do everything possible to insure delivery of the small quantities of metals necessary to maintain the largest possible employment in wood furniture production. He added that he favored a curtailment of metal household furniture on the basis of quantity of critical metals consumed rather than the number of units of furniture produced. This, he asserted, would tend to encourage the development of substitutes of metal parts.

A prompt industry-wide investigation by the OPM furniture division of developing shortages in such items as stains, glue, sandpaper, and small paper parts was promised, as well as a study of the difficulties faced by upholstery manufacturers in obtaining low-grade cotton.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer.*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *Director.*

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DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

NOVEMBER 25, 1941

VOLUME 2, NUMBER 47

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9-----	1,588,500
Navy and Marine Corps, Nov. 1--	375,914
Nonagricultural workers, Sept.--	*40,065,000
Percent increase since June 1940	13
18 defense industries, Sept-----	*2,660,500
Percent increase since June 1940	65

FINANCE

June 1940 to latest reporting date	(In millions of dollars)
Authorized program Oct. 31-----	*63,962
Contract awards Oct. 15-----	*89,263
Total disbursement Sept. 30-----	10,745

PRODUCTION

Paid on contracts, June 1940--	
September 30, 1941-----	\$8,464,000,000
Combat vessels in October-----	*5
Merchant ships, October-----	*10

Week ended November 15	Strikes	Workers
Significant defense strikes in progress during week-----	9	5,100
Number settled-----	6	3,400

*Preliminary.

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CONTRACT AWARDS*



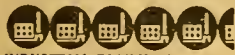
AIRPLANES



NAVAL SHIPS



ORDNANCE



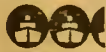
INDUSTRIAL FACILITIES



OTHER SUPPLIES



NON-INDUST. CONSTRUCTION



MERCHANT SHIPS

*U. S. GOVT.
NATIONAL
DEFENSE
JUNE 1940-
OCT. 15, 1941

Each disc represents
1 BILLION DOLLARS

Review of the Week in Defense

A major threat to steel production and to defense was dispelled last week when the captive coal mine strike, begun after CIO leaders rejected National Defense Mediation Board recommendations, was halted by submission to Presidentially appointed arbitrators. The Mediation Board turned to other issues and obtained postponement of a threatened strike by 225,000 teamsters. The Board reached agreement in one case, prepared to make recommendations in another, and received certification of two new cases.

Welders' troubles resolved

An issue causing unrest in West Coast shipyards appeared to be resolved, as OPM Associate Director General Hillman announced nine AFL unions had agreed that welders moving from job to job need not hold more than one union card. The AFL also agreed to let welders involved in a recent strike over the union card issue return to their old jobs without discrimination.

President Roosevelt, giving effect to powers granted by Congress, authorized OPM to requisition materials it may deem necessary to defense.

Meanwhile, the public learned that lead and tinfoil will disappear from the wrappers of cigarettes, chewing gum, candy, and a number of other products after March 15, by order of the Priorities Division.

Passenger cars cut 56.1 percent

In another action to shift critically needed metals from civilian to defense production, the Division of Civilian Supply announced that the output of passenger automobiles next February will be no more than 43.9 percent of that in February 1941.

Moves to increase production of the vital substances included an A-1-b priority rating for materials to construct an aluminum plant at Massena, N. Y., and an A-1-c rating for materials to manufacture furnaces used in heat treating of metals. Dealers in iron and steel scrap were warned that they must com-

ply immediately and fully with OPM scrap allocation orders.

Power savings reported

OPM announced that the order which froze power consumption of large South-eastern users to their September levels is expected to save at least 5,000,000 kilowatt-hours a week. Rains, and an increase in supply of 10,000,000 kilowatt-hours a week when the power pool was put on an obligatory basis, helped officials striving to postpone a drastic curtailment order.

Also last week, OPM urged prompt Congressional approval of the Douglas Dam in Tennessee. W. L. Batt, director of OPM's Materials Division, wrote the chairman of the House Appropriations Committee that this project is the only one with a capacity as high as 100,000 kilowatts which could be brought into production by 1943, when the power will be needed for defense.

112 commercial planes allotted

The aircraft branch of OPM tentatively allotted 112 planes among commercial airlines for delivery in 1942.

The Priorities Division placed titanium dioxide, used in paints, under allocation; ordered steel drum manufacturers to set up special inventories of metal to make containers for overseas shipments of petroleum products; gave the United States Forest Service an A-8 rating on fire-fighting equipment; and assigned plastic components for radio tubes a B-4 rating because no suitable substitute has been found.

The Priorities Division relieved a hardship on manufacturers of replacement parts for passenger cars and light trucks by giving them their choice of two periods on which they can compute a 40 percent reduction. The Division of Civilian Supply moved at the same time to extend the period allowed automobile makers to use up existing stocks of bright trim.

Comparing the present industrial defense effort with that of 1917 and 1918, the OPM Bureau of Research and Statistics found that more money is being spent to arm now and that a lower price level indicates we are getting more per dollar.

The Office of Price Administration, citing sharp increases in the price of crude paraffin wax, put a ceiling on both the crude and the refined. Besides having a wide variety of civilian uses, paraffin is used in defense products, including munitions.

OPA announced it had evidence that a major zinc producer had violated an agreement to sell not to dealers but directly to consumers. Three more large dealers in iron and steel scrap decided to refund all amounts collected in excess of the ceiling.

More lumber under price control

OPA amended the Southern pine lumber price schedule to bring in freight car construction materials. Further discussion of a ceiling for new machine tools was put on the agenda for early December. Manufacturers of railroad cars, locomotives, and maintenance-of-way and signal equipment were asked not to exceed October 1 prices.

Makers of bedding were asked to make the November 1 level their maximum, and a large manufacturer withdrew an increase in the price of mattresses at OPA's request.

The Bureau of Industry Advisory Committees appointed groups of industrial officials to advise on burlap importing and bag manufacturing; farm machinery and equipment; and radio.

The health supplies and fire equipment branch in the Division of Purchases was split in two to form the health supplies branch and the safety and technical equipment branch.

The Division of Contract Distribution opened four more field offices.

President Roosevelt determined a need for 1,900 additional defense homes, and Defense Housing Coordinator Palmer announced the completion of 1,834 in the week ended November 8.

Bill of Rights Day

The Office of Civilian Defense set aside December 15 to celebrate the signing of the Bill of Rights. The observation was requested by Archibald MacLeish, Librarian of Congress, who also is director of the OEM Office of Facts and Figures. OCD announced that 5,935 local defense councils have been formed and slightly under a million volunteers enrolled for civilian defense services to date.

DEFENSE

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MEDIATION BOARD . . .

Week-old captive coal mines strike halted by arbitration at President's request

Last week (Nov. 17-23) saw the end of the week-old strike in the captive coal mines when John L. Lewis, president of the United Mine Workers of America, agreed to accept compulsory arbitration in accordance with President Roosevelt's request.

The National Defense Mediation Board, also last week, obtained postponement of a strike of 225,000 teamsters which threatened to tie up all over-the-road trucking in a dozen midwestern States. The Board further reached an agreement in one case; agreed to make recommendations in a second, and received certification of two new cases, one of which was the teamsters' case. Hearings in two other cases—one of which involved an independent union—were postponed.

Captive coal mines

On Saturday, November 22, came the announcement that John L. Lewis, together with Benjamin Fairless, president of U. S. Steel Corporation, and Dr. John Steelman, Director of Conciliation of the U. S. Department of Labor, would compose a 3-man commission to arbitrate the union shop issue in the captive coal mine dispute. This acceptance was in accordance with a request made by the President in a letter on November 19 to executives of the steel companies and to Mr. Lewis, in which he proposed two alternatives for settling the dispute. The first alternative suggested that the closed shop in the captive mines remain in status quo for the period of the emergency and the second alternative proposed that the point be submitted to arbitration with the understanding that the decision would be binding.

On Monday, November 17, President Roosevelt had been formally notified by both the operators of the captive mines and the United Mine Workers of the breakdown of negotiations in the dispute over the union shop issue. The steel companies maintained their position that a man's right to work should not depend upon his membership in any organization. The United Mine Workers contended that an open shop would be in violation of their union shop agreement with the commercial mines.

The strike in all the captive mines began the morning of November 17 and was very soon nearly 100 percent effective. Later in the day, some of the commercial mines started to close as the men walked out in sympathy strikes and at the end of the week a large percentage of mines throughout the Appalachian area was shut down.

In Detroit, at the CIO convention, John L. Lewis, president of the United Mine Workers, was voted full support on his stand by the delegates. Mr. Murray, president of the CIO, who had resigned from the Board in protest against the decision in the case, accused the NDMB of discrimination and asserted that the AFL representatives had resorted to treachery in voting against the demand.

Meanwhile, the steel companies stated that they would try to continue operating the mines and hoped that it would not be necessary for the Government to take them over.

At a press conference on Tuesday, the President denied the validity of Mr. Lewis' claim that to operate the captive mines without a union shop agreement would be a violation of the agreement with the commercial mines.

On Wednesday November 19 the President sent the following letter mentioned above to both the steel company executives and to Mr. Lewis:

"At my conference with you November 14 I asked you to consider two suggestions. First I urged you that you continue negotiations and that if you did not arrive at a conclusion you submit the point or points at issue to an arbitrator or arbitrators or anybody else with a different name and that in the meantime coal production in the captive mines continue. Second I urged that you consider other matters relating to employment as the wage question and check-off were not concerned.

"You have now informed me that the negotiations broke down without an agreement. The point in dispute has not been submitted to arbitration. Production of coal at the captive mines has been interrupted by strike.

"It is of course absolutely clear that no one is asking the coal miners to give up their union recognition or their union wage scales or their union working conditions.

"Under the auspices of the National Defense Mediation Board certain agreements were reached by the coal operators and the United Mine Workers of America for the Appalachian area and for other areas.

"Under these agreements the United Mine Workers are recognized as the sole bargaining agent for all the workers in and about the mines. The agreements fix the highest basic daily wage and the highest tonnage rates paid miners anywhere in the world. They provide in many other ways for the security of the mine worker under union auspices. They include union check weighmen, union grievance machinery and mine committees, union participation in improved safety practices in the mines and in hospitalization. They eliminate unfair deductions from tonnage checked by the union check weighmen. They eliminate scrip abuses. They provide annual vacations with pay, and other benefits. The steel companies have agreed to all these provisions and are prepared to sign the agreements.

"A single issue, that of the closed shop, remains in dispute, but this issue concerns only 5 percent of the mine workers employed in the captive mines, which is one-half of one percent—one worker out of every 200—of all the mine workers in the United States.

"The National Defense Mediation Board has recommended that these nonunion workers voluntarily join the United Mine Workers of America and share with their fellow workers the burdens as well as the benefits of the union, and I have personally endorsed this suggestion.

"The operators also have given to the Mediation Board the assurance in most positive terms that they are not now opposed to, and do not intend to oppose, the voluntary growth of union membership at their mines.

"The issue in dispute, however strong the feeling about it may be, does not justify a stoppage of work in a grave national crisis.

"The protective wage clause of the Appalachian agreement has no bearing on this controversy. If the United Mine Workers sign with the operators of the captive mines an agreement which includes no provision for a closed shop, not a single miner will lose any benefit or advantage which he now enjoys under the Appalachian agreement. The closed shop contracts that have already been signed will stand.

"In order still further to open the way for settlement of the dispute in the captive mines, I am doing two things:

"(1) I am informing all those coal operators who have signed an agreement with the closed shop provisions and the nonstrike penalty clause that they will be expected in the interest of national defense to continue to operate under those agreements without change.

"(2) I am asking all the operators of the captive mines to reaffirm their assurances by notice to each of their employees that they are not opposed to union organization or collective bargaining and that they do not wish to discourage or stand in the way of any employee who chooses to join the United Mine Workers of America.

"But work in the captive mines must recommence.

"I repeat what I said to the conference last Friday:

"Because it is essential to national defense that the necessary coal production be continued and not be stopped, it is therefore the indisputable obligation of the President to see that this is done.

"I am therefore asking all of you, as patriotic Americans, to accept one or the other of the following alternatives:

"(a) Allow the matter of the closed shop in the captive mines to remain in status quo for the period of the national emergency, all other parts of the Appalachian agreement applying, or

"(b) Submit the point to arbitration, agreeing in advance to accept the decision so made for the period of the national emergency without prejudice to your rights in the future.

"For the common good, for the maintenance of defense production, it is imperative that one of these two alternatives be chosen and faithfully performed."

The U. S. Steel Corporation agreed to accept either of these alternatives but the answer of the United Mine Workers did not come until after the meeting of the policy board on Saturday. Although Mr. Lewis had said that he personally was opposed to both suggestions, on that day he accepted the second suggestion of the President—that the matter be submitted to arbitration and the decision be accepted in advance.

Chairman Davis of the National Defense Mediation Board on November 21 wired all commercial mine operators as follows:

"Please inform me by wire, first, whether in the view of your company the protective wage clause of its agreement with the United Mine Workers of America has any bearing on the provision that membership in the United Mine Workers of America shall be a condition of employment. Second, whether your company in accordance with the President's letter of November 19 will in the interest of national defense continue to operate without change under its agreement with the United Mine Workers of America even though the provision which requires membership in the United Mine Workers of America as a condition of employment is inoperative in agree-

ments with operators who have not yet accepted that provision."

All the commercial operators agreed in answer that they would abide by the President's request and that they would continue under the agreement without change.

During the week, the CIO national convention meeting in Detroit passed resolutions approving the resignation of the nine CIO members of the Board and the following resolution on defense strikes:

"BE IT RESOLVED:

"(1) The CIO and its affiliated unions are firmly resolved to do all in their power in cooperating with industry and Government to obtain a maximum efficiency in production toward the successful prosecution of our national defense program; and

"(2) The CIO will cooperate completely in the attempt to adjust all labor disputes on a voluntary basis through collective bargaining machinery established in wage agreements and to utilize to the utmost degree the mediation facilities of the Government in the effort that no step will be left unturned to achieve the successful prosecution of our national defense program; and

"(3) Labor appreciates more than any other group that in this grave crisis, mediation and peaceful solution of our industrial disputes is of the utmost importance to America. The CIO calls upon the Government and industry to recognize in the effort to defeat Hitlerism that labor's participation in the formulation and administration of our Nation's policies must be accepted in good faith, the right of labor to live must not be impaired and that the reasonable demands of the working men and women to improve their lot wherever it is possible and consistent with our national welfare must not be denied. Any legislative anti-labor measure constitutes aid to Hitler by destroying American morale and serving to weaken the national effort to defeat Nazism."

Midwestern Trucking Companies

On Monday, November 17, Daniel J. Tobin, president of the International Brotherhood of Teamsters, AFL, wired President Roosevelt that his organization had agreed with the Central States Employers Negotiating Committee that in the interest of national defense, a strike of 225,000 teamsters would be postponed and the wage dispute referred to the National Defense Mediation Board. In answering this telegram, President Roosevelt said:

"I thank you for the telegram just received. You express to me the spirit of fair play and patriotism which I have always believed existed in the hearts and minds of American labor and unionism. What a fine Thanksgiving it would be for us all if leaders in other fields of labor would follow your example."

Over-the-road trucking companies in the states of Michigan, Ohio, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas, are involved in this case. The teamsters are demanding an increase from 80¢ to \$1.00 an hour and from 3¢ to 5¢ a mile. The companies have announced their willingness to increase the hourly rate to 82½¢ but they are unwilling to raise the mileage rate. A hearing is scheduled for December 2.

Chris-Craft Corporation

After a one-day hearing before a panel composed of Walter Stacy, Frederick Fales, and William Calvin, an agreement was reached in the dispute between the Chris-Craft Corporation, Algonac, Mich., and a Federal Labor Union, AFL. The issue in the case was the union's demand for a 10¢ per hour wage increase to be made retroactive to September 15. Over this issue a strike had been called on October 2 and was only ended November 7 at the request of the Board.

200,000 "lead men" and supervisors to be trained intensively in defense plants

More than 200,000 "lead men" and supervisors in defense plants will be given intensive training during the next 6 months, under an expanded training-within-industry program announced November 21 by OPM Associate Director General Hillman.

Channing R. Dooley, director of the OPM Labor Division's Training-Within-Industry Branch, reported to Mr. Hillman that a training program of this sort has proved highly successful over a 4-month test period in New Jersey defense plants.

New Jersey defense contractors sign up

In New Jersey, the program has nearly 300 defense contractors signed up for the new "job instructor training" sessions, with nearly 7,000 skilled mechanics, lead men, gang bosses, and supervisors in training. This program consists of five 2-hour sessions conducted by men specially trained by OPM in this field of instruction, and was worked out in con-

sultation with labor and management advisers.

In the eastern Pennsylvania district, 17 companies are prepared to provide such training to 900 mechanics and supervisors. 1,000 will be trained in western Pennsylvania during the next month. Similar programs are under way in Maryland, northern Ohio, New York, Texas, and on the West Coast.

Hope to cover whole U. S.

Conferences with T-W-I branch field men will be held in Washington this week to spread this effort to the 15 other defense industry districts in order to cover the whole United States.

"This development of mechanics and lead men to train others in defense plants is of major importance in our scheduled expansion of production," Mr. Hillman said. "We must foster supervisory ability among our experienced workmen if we are to continue to match our defense labor supply to our ever-growing defense production needs."

Hearings earlier in the month had been cut short by the necessity for the return to Algonac of the company officials. Employing 430 workers, the company makes rescue boats for advance bases for the Air Corps and distribution box boats for the QMC.

The terms of the agreement were not revealed and it is subject to ratification by the local union membership.

Nevada Copper

A dispute over interpretation of the contract between the Nevada Consolidated Copper Corporation, Ely, Nevada, and the Brotherhood of Locomotive Engineers, Independent, brought in the company and union for hearings before a panel of Ralph Seward, John Connelly, and George Lynch. At the end of 2 days, both parties returned home to await recommendations by the Board, which will be made within 2 weeks.

A threatened strike had been postponed at the Board's request. The company has 6,000 men employed in producing copper for defense needs.

John A. Roebling Sons Co.

Hearings originally scheduled for November 18 in the dispute between the John A. Roebling Sons Co., Trenton, N. J., and the Brotherhood of Railroad Trainmen, Independent, were postponed with the date to be set later. This postponement was due to lack of data which the company wishes to submit on the issue in dispute between itself and the union. A demand by the union for the closed shop and the application of standard rules in the yard had been the cause of a threatened strike which was postponed at the Board's request.

Bell Aircraft Corporation

The Bell Aircraft Corporation, Buffalo, N. Y., and the United Automobile Workers, CIO, whose hearings had been postponed at

the union's request to Nov. 21, did not come in on that day. The union had wired the company early in the week stating that they were withdrawing the case from before the Board. The company refused to continue negotiations with the union unless such negotiations were conducted under the auspices of the Board. The Mediation Board held that the company had a right to do this and wired the union that its action did not relieve the Board from the "responsibility imposed on it by the certification of the case." Chairman Davis suggested to both the company and union that they proceed with direct wage negotiations with the assistance of Conciliation Commissioner Thomas Finn.

The withdrawal by the union was the result of the resignation of all CIO members and alternates from the Board over the captive mine recommendations.

Other new cases

The Board received certification of two new cases last week, one of which was that referred to earlier—the midwestern trucking companies. The other case certified to it involved the American Shipbuilding Co., Cleveland, Ohio, and the Metal Trades Council, AFL.

★ ★ ★

ORDNANCE PLANT OPENED

The Morgantown Ordnance Works, Morgantown, W. Va., was formally opened on November 17, 1941, the War Department has announced. This plant, being built at a cost of more than \$38,000,000, will produce anhydrous ammonia, used in the manufacture of high explosives for ammunition.

LABOR . . .

Welders need carry only one union card, AFL leaders decide in talks with Hillman

OPM Associate Director General Hillman announced November 23 that representatives of nine international unions affiliated with the Metal Trades Department of the American Federation of Labor have agreed to eliminate grievances presented to the Office of Production Management by welders employed in shipyards and on other defense projects.

Conferences looking toward this result began on Monday, November 17, and dealt with several types of complaints made by various groups of welders.

Welders complained that, because of frequent changes in employment, they were in some instances compelled to hold cards in several different unions, and thus to pay initiation fees and dues to several different organizations in order to work at their occupations.

"No excessive fees"

Mr. Hillman said that he was pleased to report that, as a result of these conferences, held under OPM auspices, the nine AFL metal trades unions have officially declared that:

"There will be a flexibility in the performance of welder work in every shipyard which will prevent any unjustified interference with the orderly and continuous operations of production, this to be established through conferences with management and with the unions at interest.

"The international unions hold that it is not necessary for a workman performing welding to carry more than one union card, and furthermore, that there should be no excessive fees."

Thus the welders' major grievance has been remedied through the cooperation of the nine metal trades unions.

Return to jobs without discrimination

The welders' second complaint related to alleged discriminatory practices affecting striking welders who sought to return to their jobs. On this matter, the official AFL statement points out:

"Under these circumstances the international unions, regardless of the violation of agreements with employers, and violation of their own trade union laws, agreed that all of these welders, even though they had been responsible for stopping work on national defense, would be permitted to return to their former jobs without any discrimination."

The welders also requested from the AFL a charter establishing them as a separate and autonomous organization. Such an issue Mr. Hillman explained is

clearly beyond the proper jurisdiction of the Office of Production Management.

OPM expects welders to cooperate

Mr. Hillman also stated that he has conferred with the Navy, the Maritime Commission and other Government agen-

cies concerning these problems, and that these agencies expect full observance of existing contracts openly and voluntarily arrived at between labor organizations and employers.

In view of the fact that the fundamental grievances of the welders are being corrected by the nine metal trades unions, it is only fair to expect that the welders will remain at work and thus contribute to the success of our defense effort, Mr. Hillman declared.

Mine strike, now halted, one of six vitally affecting defense at end of last week

The Captive Mines strike, affecting some 50,000 UMW-CIO miners before it was halted November 22, was the outstanding current defense stoppage, the OPM Labor Division reported on that day.

The effect of the work stoppage on steel production was not felt until the end of the week, but by Saturday steel blast furnaces were shutting down in various sections of the country.

5 other strikes affect defense

Apart from the Captive Mines dispute, the Labor Division reported that five strikes of primary defense significance, involving 4,800 workers, were current on that day out of a total of 17 stoppages (7,700 persons) in plants with any known defense contracts (covering Army, Navy, and Maritime Commission orders).

Atlas Drop Forge Co., Lansing, Mich. (Forgings for tanks and airplane parts). The 700 members of UAW-CIO went on strike November 19 after negotiations over a new contract and wage increases became deadlocked. A Federal Conciliator and an OPM Labor Consultant are cooperating with representatives of the State Labor Mediation Board in an effort to adjust the dispute.

Breckenridge Machine Tool Co., Cleveland, Ohio (Shell casings). A panel of Conciliation Service and OPM representatives is conferring in Detroit with officials of the local UAW-CIO and the company, in an attempt to work out a settlement of the wage and learner questions. The 290 men have been on strike since November 17.

Burgess Battery Co., Freeport, Ill. (Batteries for Army and Navy). The AFL Machinists Union has released material for the Army and Navy. The 800 men went on strike on October 14 over

representation and alleged domination of the independent union.

Cash Valve Manufacturing Co., Decatur, Ill. (Pressure valves for Navy). Completed material for the Army has been released by the 65 AFL members of UAW, who struck on October 25 over a first contract, including wages and union status. Joint conferences began on November 19 with Federal and State Conciliators and an OPM Labor Consultant participating.

Columbia Steel Co., Pittsburg, Calif. (Castings for Navy and Maritime Commission). A Federal Conciliator has been assigned to the dispute involving 3,000 members of SWOC (CIO) who struck on November 21 over wages.

Adjustments effected in 12 other cases

The Labor Division also announced that during the past week resumption of work or complete adjustment was effected with the assistance of the various Government agencies in five strikes (2,100 persons) and seven threatened strikes (11,500 employees) which were directly affecting the defense effort.

These 12 cases, covering 13,600 workers, are:

Resumption of work: Allied Products, Hillsdale, Mich.; Anaconda Wire & Cable Co., Muskegon, Mich.; Omaha Steel Works, Omaha, Nebr.; Roebling Co., Roebling, N. J.; and U. S. Air Base, Lake Charles, La.

Adjusted without strike: American Brass Co., Detroit, Mich.; Chrysler Tank Plant, Detroit, Mich.; Corbitt Machine Co., Henderson, N. C.; Federal Mining Co., Mullan, Idaho; General Motors Forge Co., Lansing, Mich.; Screw Machine Products Co., Inc., Providence, R. I.; and Stockpole Carbon Co., St. Mary's, Pa.

PRIORITIES . . .

Lead and tin foil to be barred from cigaret, gum, and candy wrappers

Lead and tinfoil will disappear from cigaret packages, chewing gum, candy and a number of other package uses after March 15, 1942, Priorities Director Nelson announced November 24.

Limitation Order L-25, which he issued that day, provides that after March 15 no tin, lead, or composition foil containing them shall be used in the manufacture of any decorative article or material or for the packaging of tobacco products, chewing gum, all beverages, confections, ribbons for typewriters and other business machines, friction tape, and photographic film.

Until January 15, 1942, manufacture of foils for the uses to be prohibited is limited to one-third of the amount manufactured for those same categories in the first 3 months of 1941.

Manufacture and sale of foil for any of the uses listed is prohibited after January 15, 1942.

Swing to lead causes action

Basis for the order is the fact that lead going into foil manufacture has increased from approximately 2,000 tons a month at the beginning of 1941 to 6,500 tons at present, with the demand increasing monthly. Users of foil have swung rapidly into lead as aluminum stocks declined and they were unable to get more for that purpose. Tin savings under the order are estimated at 250 tons a month.

The tobacco industry uses about 85 percent of the tin and lead foil consumed, with cigarets leading the list. The industry was told some months ago that restrictive orders on foil would be necessary, and studies of satisfactory substitutes have been carried out. The tobacco industry has already taken steps to reduce its use of lead in foil by one-half. Although cellophane and similar materials are under priority control, these materials may still be used in the packaging of tobacco products.

Moisture losses tested

The National Bureau of Standards has assisted in this by making a study of the efficacy of waterproof cellophane and of metal foil used in cigaret packages as moisture barriers.

Test packages were wrapped in various ways in a plant of one of the cigaret

manufacturers, exposed to an atmosphere dried with calcium chloride, and tested for loss of moisture at the end of 120 hours. Following are the losses found, given in percentages of the original moisture content:

Standard package.....	6
Foil omitted, cellophane intact.....	9
Cellophane omitted, foil intact.....	38
Both foil and cellophane omitted.....	67

Widespread use of foil in packaging is comparatively new, having received its greatest impetus since 1915.

Because of the many uses for lead in defense production and the fact a part of our national supply is imported, the metal has been placed under various forms of governmental control. Export control was established on March 24, 1941, inventory control on May 1, and full priority control on October 4.

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Two orders aid steel drums for overseas shipments

Two orders, designed to make possible the speedy manufacture of steel drums for overseas shipment of gasoline, oil and other petroleum products, were issued November 17 by the Priorities Division, and are effective immediately.

Under General Preference Order M-45, manufacturers of steel drums will be required to set aside a specified inventory of the 16- and 18-gauge hot-rolled sheet steel from which the drums are made. This inventory is to be used only upon specific order of the Director of Priorities. The companion order, making up the other half of the program, is Preference Rating Order P-76. It extends a rating of A-4 to deliveries of the sheet steel to drum manufacturers for the purpose of replenishing the original inventory. Any sheet steel acquired with its assistance must be held under the same conditions as the originally designated inventory.

A manufacturer is not required to set aside more than the original reserve inventory, and he is not required to replace it. If he wishes to do so, however, he can use the preference rating extended by Preference Rating Order P-76 to acquire the necessary stock.

112 planes allocated among commercial lines

Following the recommendations of the civil aircraft committee, the aircraft branch of the Office of Production Management has made tentative allocations of 112 planes to commercial airlines in the United States during 1942.

Twenty-eight Lockheed Lodestars and 84 Douglas DC-3's are involved in the allocations. Announcement of 4-engine planes to be allocated will appear at a later date.

Follows SPAB approval

This action follows the approval by the Supply Priorities and Allocations Board on October 7 of the plan for aircraft manufacturers to accept civil orders. Covering the 18-month period beginning January 1, 1942, the program provides for the construction and delivery of 136 DC-3's, 52 Lockheed Lodestars and 20 DC-4's.

Airlines affected

The allocations and the airlines affected follow:

Allocation of Lockheed Lodestars to commercial air lines—1942

	August	September	October	November	December	Total
Continental Air Lines.....	—	2	—	—	—	2
Mid-Continent Airlines.....	2	—	1	2	—	5
National Airlines.....	—	—	—	2	2	4
Trans-Canada Air Lines.....	4	2	—	—	—	6
Pennsylvania - Central Air Lines.....	4	—	3	—	—	7
Total.....	12	4	4	4	4	28

Allocation of Douglas DC-3's to commercial air lines—1942

	June	July	August	September	October	November	December	Total
American Airlines, Inc.....	—	3	3	3	—	5	1	13
Branch Airways, Inc.....	—	—	—	3	—	—	—	3
Chicago & Southern Airlines.....	—	—	—	—	—	—	—	—
Delta Air Corporation.....	—	—	—	—	2	—	—	2
Eastern Air Lines, Inc.....	—	—	—	—	—	3	—	3
Northeast Airlines, Inc.....	1	—	—	—	—	—	—	1
Northwest Airlines, Inc.....	—	4	—	—	—	—	—	4
Pan American Airways.....	6	—	—	—	1	4	6	16
Transcontinental & Western Air, Inc.....	—	5	—	3	3	—	—	11
United Airlines.....	6	—	3	—	—	—	—	14
Western Air Express.....	—	—	1	—	—	—	—	1
Total.....	12	12	12	12	12	12	12	84

(Prepared by civil aircraft committee subcommittee on allocations at its meeting on November 10, 1941.)

High priority to speed building of Massena aluminum plant

A high priority rating for necessary materials was granted November 18 by the Director of Priorities to insure speedy construction of an aluminum plant at Massena, N. Y.

Construction is scheduled to start on January 3, 1942, and first units of the plant are expected to be in production by May 2. Other units are due to go into production in May and June.

Thirty-eight buildings will be constructed at Massena, housing the machinery for a total annual production of 150,000,000 pounds of aluminum. Under ordinary circumstances a plant of this magnitude would take from ten months to a year to build. A preference rating of A-1-b has been assigned the project, under Preference Rating Order P-19-b. The bulk of the material needed is structural steel for buildings, steel plates for the construction of aluminum pots and copper cable for electrolytic machinery.

The plant is being financed by the Defense Plant Corporation and will be operated by the Aluminum Company of America.

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Forest Service given A-8 rating for fire equipment, supplies

The United States Forest Service will be given priority assistance in obtaining fire-fighting equipment by Order No. P-45-a issued November 22 by the Priorities Division.

The order assigns a preference rating of A-8 to deliveries of all equipment, tools, and supplies to be purchased by the Forest Service for use in fighting or preventing fires. The rating may be extended by a manufacturer to orders for materials to be used in fire-fighting equipment destined for the Forest Service, provided such materials appear on the current Priorities Critical List.

Without priorities assistance the Forest Service has found it difficult to obtain sufficient equipment for its program, which has been expanded as a result of Army maneuvers and the construction of Army camps.

The priorities rating may not be used by any manufacturer filling Forest Service orders who has sufficient material on hand to produce or deliver fire-fighting equipment and still have a minimum working inventory, nor by any producer who can obtain the necessary materials without use of the rating.

Manufacturers of furnaces for treating metals granted A-1-c rating on materials

Manufacturers of furnaces used in the heat treatment of metals are granted the assistance of an A-1-c rating in acquiring the necessary materials, in an order issued November 22 by the Priorities Division.

The rating may be applied to purchase orders for the component parts and materials listed in Exhibit "A" attached to the order.

These are: Motors and other electrical accessories; mechanical parts and accessories; alloy and carbon steels in bars, forgings, castings, plates, sheets, shapes, and tubes; ferrous and nonferrous castings and forgings; abrasives; indicating instruments and accessories; refractories and insulation; controlled atmosphere generators and accessories; burners and their accessories; and paints and finishing materials.

Maintenance shop supplies. (This item applies to a producer's requirements only and is restricted to items necessary for proper operation and maintenance of a producer's manufacturing equipment and facilities.)

Foundry supplies consisting of: Steel rail

and other steel scrap, silvery pig iron, regular pig iron, coke, ferrosilicon, ferromanganese, vanadium, nickel, molybdenum, and chromium.

Assigned to some 50 manufacturers

The preference rating has been assigned to some 50 manufacturers of furnaces, both electric and combustion, to be delivered to fill defense orders defined in the order. The rating may be extended to their suppliers for the acquisition of material listed in the exhibit, and which is to be physically incorporated in the finished product. Each purchase order covered by the rating must bear the following statement:

Material for Defense Products ——— Preference Rating A-1-c under Preference Rating Order No. P-74, Serial No. ———, with the terms of which I am familiar.

This statement should be signed by a responsible official of the company making use of the order.

Fill allocations immediately, scrap dealers are warned

Dealers in iron and steel scrap were warned November 21 by the Division of Priorities that they are expected to comply fully and immediately with scrap allocation orders issued by OPM.

With a current serious scrap shortage, many allocations are being made daily to assist operations of steel mills with defense orders. Even a short delay in compliance with an allocation may interfere with production at a mill.

It was pointed out that General Preference Order M-24, which covers the distribution of scrap, provides that violators of the order may be prohibited from making or receiving deliveries of scrap by the Director of Priorities, and that undue delay in making allocated deliveries could be classed as a violation.

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Office designated to receive yarn purchase duplicates

The Director of Priorities, OPM, has designated the Textile Tabulating Office, Bureau of Research and Statistics of the Office of Production Management, 10 East Fortieth Street, New York City, as the agency to receive duplicates of certificates and allocation orders filed with producers and jobbers by persons seeking to purchase reserve yarn set aside in accordance with Supplementary Order M-37-a.

Titanium dioxide put under allocation

General Preference Order M-44, which directs the distribution of titanium dioxide for use as pigment, through a monthly allocations system, was announced November 22 by the Director of Priorities.

Purpose of the order, which becomes effective December 1, 1941, is to set up a defense pool to take care of all mandatory orders and to prorate the remainder on an equitable basis to all customers. The defense pool for the first month is set at 20 percent of each producer's daily production. The percentage may be changed from month to month as defense needs vary.

In addition to the armed services and the Maritime Commission, who are heavy users of titanium pigments in paint and other protective coatings, the Director of Priorities is authorized by the order, to allocate supplies out of the pool to potential users who do not have a previous customer rating with the producers.

Titanium dioxide is produced from ilmenite ores, with the bulk of the United States' supply formerly coming from India. When the possibility of increasing shipping difficulties was realized, additional American mines were developed. These, with stocks on hand, will prevent any curtailment of output caused by the cessation of imports. American production of titanium pigments has more than doubled since 1937.

MATERIALS . . .

Building of Douglas Dam only way defense power needs for 1943 can be met—Batt

The Office of Production Management November 17 urged prompt congressional approval of Douglas Dam on the French Broad River in East Tennessee.

In a letter to Representative Clarence Cannon, of Missouri, chairman of the House Appropriations Committee, W. L. Batt, Director of the OPM Division of Materials, said that "there is no other source from which 100,000 kilowatts can be obtained within the time limits required."

Mr. Batt said that the OPM conclusions were reached after a reexamination of the whole subject and an exploration of all the alternative projects presented as substitutes for Douglas Dam.

Other projects recommended

Construction of other projects in the same budget estimate is also recommended. These include Fontana Dam on the Little Tennessee and installation of additional units at Tennessee River dams. All are TVA projects.

Mr. Batt's letter of November 17 to Congressman Cannon follows:

DEAR MR. CANNON: When your committee determined to postpone its final decision on the TVA estimates transmitted to you by the President on September 15, I agreed to reexamine the entire power production program embodied in those estimates with particular attention to the details of the proposed Douglas Dam project and the alternative proposals made with respect to it.

Alternatives do not meet time schedule

The Office of Production Management has again studied the needs for power for defense and the time schedule within which the needs must be met. We have resurveyed the estimates and schedules presented by TVA engineers, and have explored all the alternative projects which have been presented as substitutes for the Douglas Dam. On the basis of this reexamination, we are satisfied that none of the proposed alternatives to the Douglas Dam will meet the time schedule required by defense demands during the year 1943.

I want to make clear beyond any doubt that we believe every kilowatt from every project which will be authorized

by the approval of this entire program will be needed for the defense program. And, with respect to Douglas Dam specifically, I want to emphasize that its construction is the only way by which that portion of the power needed in 1943 can be provided. We find there is no other source from which 100,000 kilowatts can be obtained within the time limits required. That is the reality we must face.

Favorable construction factors

Your committee is familiar with the unusually favorable factors which make it possible for the Office of Production Management to rely on the availability of power from Douglas Dam to meet power requirements during the critical period of the year 1943. The technical engineering data upon which we base our conclusion that this unusually speedy construction schedule is possible have been submitted by Colonel Theodore Parker, TVA's chief engineer. This conclusion is reinforced by common-sense considerations which are persuasive to those unfamiliar with construction engineering. Only a few miles away, at the site of the Cherokee Dam, which is now nearing completion, TVA has almost all the major equipment required to build the Douglas Dam, which is an almost identical structure. The existing engineering and construction force can be moved as a unit and without delay to the site of the Douglas Dam. No other location in the Tennessee Valley or elsewhere presents this important advantage.

Contrasted with substitute proposals

In order to evaluate the advantages of Douglas Dam it is necessary to contrast it with the proposed alternatives. If they are understood, I believe our conclusion cannot be challenged.

1. *Steam plants.*—Even with the highest priorities which, in view of the Naval requirements, could be assigned to this project, to build and install equipment in a new steam-electric plant to provide the same amount of power would take not less than 30 to 34 months. This is 16 to 20 months longer than the construction of Douglas will require. About this there can be no question to anyone even remotely familiar with procurement problems at the present

time. With present requirements of the Navy and the existing load on turbine builders, new steam-electric plants today are practically out of the picture, as manufacturers of steam plant equipment are loaded beyond their capacity.

2. *The Holston projects.*—A full year's power production would be lost if the two proposed hydroelectric projects on the Upper Holston River were substituted for Douglas. These storage dams cannot now be completed in time to let the reservoirs fill during next year's rainy season; and the power is needed in 1943. Here, too, in addition to the technical information with respect to construction schedules supplied by Colonel Parker, there are difficulties clear to the layman which account for the longer time required. Obviously the substitution of two hydroelectric projects in place of one would multiply the problems involved in recruiting labor and purchasing equipment. Even in normal times this consideration would suggest the desirability of adopting the single project. At the present time the necessity for conserving labor supply and critical materials makes this course even more impelling.

The Holston developments would involve one further risk which is virtually nonexistent in the case of the Douglas Dam. This is the very real possibility that the reservoirs behind the Holston Dams might not be entirely filled in the first filling season after their completion and that power would not become available for an additional year. The advantages of the Douglas Dam in this respect are evident from the fact that the two Holston projects have a combined drainage area of slightly over one-fourth the drainage area behind the Douglas Dam and that the average stream flow of the two Holston projects is less than one-third that at the Douglas site.

It should also be pointed out that the total cost of the two Holston projects is half again as much as the Douglas Dam—\$48,000,000, as against \$32,000,000.

The record of the hearings before your Committee reveals that the opponents of this project laid great emphasis on the fact that TVA itself had recommended the Holston projects to this office last spring. As a result it has been publicly implied that some distortion of the facts is involved in the assertion that, as of today, the Douglas Dam is the only project which can meet the power requirements of defense industrial production within the time schedule required. The truth is that Douglas Dam is now proposed instead of the Holston projects in response to stubborn engineering facts. As questions of good faith have been raised, I want to review the record for your information. This is what happened:

Review of the record

On April first of this year, in response to a request from this office, the TVA submitted a letter listing projects which could be built to supply the defense power requirements then foreseen. The letter listed the dams on the Holston as projects which could provide power in 1943 if construction were commenced by the summer of 1941. Douglas was not listed. But there was no mystery about that circumstance. The special advantages of the Douglas project were known and discussed in TVA engineering reports. The Holston projects, from TVA's point of view, had one single advantage over Douglas Dam. They would flood less fertile land. TVA felt that it had responsibilities other than power production, extending to the matter of agricultural development, and hence gave this factor weight. Therefore, the Holston Dams were proposed for our consideration because they could have provided

power in 1943 had they been recommended and authorized promptly after April 1, 1941.

Defense needs not foreseen

Had this office been able to act promptly, construction of the Holston projects might have been recommended. But we in OPM were then in the midst of consideration of the size and scope of the defense production effort and could not immediately appraise the full power need for the TVA area. We did promptly recommend construction of the Hiwassee projects, included in the proposed program, and these are now under construction. But we delayed action on the balance of the proposal until the full scope of defense industrial needs could be seen. In the meantime, and in response to the further request of this office, TVA on May 27 reported on the possibility of the construction of Douglas Dam, and later, while the matter was still pending in OPM, TVA engineers advised the TVA Board that in view of the time elapsed, the Holston projects could no longer be considered feasible projects for meeting defense power requirements in 1943. These dams were therefore eliminated from consideration by OPM. On August 28 the OPM recommended the Douglas Dam to the Director of the Budget as part of a larger program and that recommendation was later submitted to your Committee.

Other substitutes out

Within the past few days, still other projects have been proposed to this office as substitutes for Douglas Dam. In addition to steam units and the Holston developments, sites for dams in the Cumberland basin, a river with no downstream power plants, have been advocated. These may or may not be good developments in normal times. They obviously cannot be considered as substitutes for Douglas at this time.

For such dams to produce power, turbines and generators must be manufactured and installed. Due to the congestion of manufacturing facilities, the turbines and generators, alone, required for the proposed Cumberland Dams, even if authorized tomorrow, could not be completed at the factories until almost a year after power from the Douglas Dam can be available. Furthermore, for their construction no equipment is available, nor any construction force at hand as in the case of the recommended project. All these projects present possibilities which we are glad to have our staff explore for possible later need. But no one of them nor any combination of them can provide 100,000 kilowatts of power in 1943. That is what we need and that is what Douglas Dam will add to TVA's system.

OPM must put defense needs first

In urging prompt congressional approval of this project, I do not mean to give the impression that the OPM is unconcerned about the loss of the fertile land which will be flooded, a problem called to our attention by the TVA at the outset, or that we are unmindful of the disadvantage to the canning industry which has depended in part upon the products of that soil. The sacrifices which that industry will face are matters of legitimate concern. Their problems are those of any industry which is called upon to make a rapid readjustment of its operations due to the pre-eminent requirements of the defense program. Already the needs of our country's defense have called for such ad-

OPM order freezing power consumption expected to save 5,000,000 kw.-hrs. a week

An OPM order freezing power consumption of large commercial and industrial consumers in six Southeastern States to their September level is expected to save at least 5,000,000 kilowatt-hours a week, it was estimated November 19 by the OPM power branch.

OPM also was on record November 19 as favoring steps to increase the power supply of the area to meet defense power needs in 1943. W. L. Batt, director of the Materials Division, has written Representative Clarence Cannon, of Missouri, chairman of the House Appropriations Committee, urging prompt congressional approval of the proposed Douglas Dam in East Tennessee. Mr. Batt's letter appears on page 8.

Curtailment deferred

In the meantime, OPM power officials are doing everything possible to put off as long as possible a drastic power curtailment in Georgia, Alabama, Tennessee, Eastern Mississippi, Southeastern South Carolina, and Northwest Florida. The 30-percent cut has twice been postponed and is now scheduled to be December 1. Such a curtailment would make it necessary for mills and factories throughout the area to shut down 2 days a week or make an equivalent reduction in operations by staggering or even eliminating shifts.

Freezing the power consumption of large consumers is one of the steps being taken to conserve power and defer drastic

curtailment. Industrial and commercial consumption in the area is currently running at a higher level than in September. Freezing such customers to their September consumption will result in a substantial saving.

Savings from other sources

Power is also being saved through the black-out of all electrical signs, show-window and theater lighting, and all other forms of nonessential lighting. The saving from this source is estimated at between 4 and 5 million kilowatt-hours a week.

Thus, the freezing plus the black-out are saving approximately 10,000,000 kilowatt-hours a week.

In addition, the power-pooling plan, by which interconnected systems in the block of States from Virginia to Illinois and from Florida to Texas are sending their surplus power into the shortage area, is bringing into the region nearly 40,000,000 kilowatt-hours of power a week. That is 10,000,000 more than before the OPM pooling order was issued. A pooling arrangement was in operation before the OPM order was issued but on a voluntary basis.

Since the original OPM order was issued more than an inch of rain has fallen in the Valley, producing approximately 70,000,000 kilowatt-hours of power. This, plus the pooling, the black-out, and the freezing made possible the postponement of the 30-percent curtailment to December 1.

justments from many men and women and many industries, and greater sacrifices will be required in the future from every section of the country. It is our obligation to put defense needs first. Indeed, it occurs to me that the Office of Production Management might have been subject to merited criticism if, out of concern for the sacrifice which the building of Douglas Dam will demand of the industries located in this area, we had recommended construction of the Holston projects even six months ago when they might have met our need for power but would have added an additional cost of \$16,000,000 to the taxpayers of the whole country.

We urge, therefore, that the construction of Douglas Dam together with the other projects proposed in the estimates before you be approved as promptly as possible.

Resins for radio tubes, B-4

Two new amendments to General Preference Order M-25, governing the supply and distribution of formaldehydes and the synthetic resins made from them, were announced November 17 by the Priorities Division.

Amendment No. 3 places bases for radio tubes under Classification 1 of the permitted uses, as no suitable substitute for plastics for this purpose has been discovered—deliveries of the resins for the production of bases are assigned a rating of B-4.

Amendment No. 4 assigns a preference rating of B-8 to deliveries of synthetic resins molding powder to radio manufacturers in the amounts required to produce molded cabinets for their existing inventories of radio chassis.

CIVILIAN SUPPLY

Passenger auto output for February 1942 cut to 43.9 percent of same month this year

Passenger automobile production in February 1942 will be restricted to 43.9 percent of the output in the same month of 1941, Leon Henderson, director of the Division of Civilian Supply, announced November 19.

This 56.1 percent reduction may be made greater as the result of increasing demands for steel and other critical materials for national defense, Mr. Henderson emphasized. There is no guarantee that sufficient materials will be available to meet maximum production allowances in any consumers' durable goods field.

Announcement of February production plans was made after a meeting of Government officials with the passenger-car subcommittee of the automotive defense industry advisory committee.

Production in February, this year, was 396,521 cars. Maximum output next February will be 174,122 cars.

39.7 percent reduction over 7 months

This means that for the first 7 months of the 1942 model year, from August 1, 1941, to March 1, 1942, maximum production will be 1,402,187 cars, compared with 2,325,038 cars produced in the corresponding period of 1940-41, or an over-all reduction of 39.7 percent.

According to the program announced by Mr. Henderson August 21, a curtailment of at least 50 percent for the full model year ending July 31, 1942, will be achieved. A reduction of 26½ percent was ordered during August, September, October, and November, 48.4 percent in December, and 51 percent in January 1942.

Under the February plan, the larger companies—General Motors, Chrysler and Ford—will be curtailed at least 59.3 percent below output this February. Proposed over-all reduction for the smaller concerns—Studebaker, Hudson, Nash, Packard, Willys-Overland, and Crosley—is 15.7 percent.

Because their production in February of this year was seasonally low, Packard and Willys-Overland will be permitted increased production next February.

Crosley, which produced no cars last February, will be permitted to turn out 405 next February. The company has parts already fabricated and needs only to assemble them.

In connection with the automobile production plan, it was pointed out that under an order issued by Donald M. Nelson, Director of Priorities, on November 14, manufacturers of both passenger cars and light trucks (those less than 1½ tons) may substitute truck production for passenger-car production, provided combined quotas are not exceeded.

There will be a continuing study of problems resulting from any labor displacement caused by curtailed production. The Labor Division of OPM has instituted a program for retraining workers for defense jobs.

The automotive industry has been awarded large contracts for tanks, aircraft parts, marine equipment, guns and ammunition, and various other defense weapons.

Attached is a table compiled by the Bureau of Research and Statistics, OPM, showing February 1942 allotments compared with February 1941 production.

[For nonmilitary use]

	Allotments February 1942	Production February 1941	Percent decrease in allotments
GENERAL MOTORS CORPORATION			
Chevrolet.....	*38,388	96,283	60.1
Buick.....	*13,943	33,718	58.6
Pontiac.....	*12,216	30,358	59.6
Oldsmobile.....	*9,976	21,346	53.3
Cadillac.....	*2,456	6,510	62.3
Total.....	76,982	188,216	59.1
CHRYSLER CORPORATION			
Plymouth.....	21,406	49,848	57.1
Dodge.....	10,084	25,514	60.5
Chrysler.....	5,124	16,232	68.4
De Soto.....	3,567	8,730	59.1
Total.....	40,181	100,324	59.9
FORD MOTOR CO.			
Ford.....	27,461	67,102	59.1
Mercury.....	3,762	9,268	59.4
Lincoln-Zephyr.....	1,085	2,386	54.5
Total.....	32,308	78,746	59.0
Total General Motors, Chrysler and Ford.....	149,471	367,285	59.3
OTHER MOTOR COMPANIES			
Studebaker.....	7,509	9,577	21.6
Hudson.....	5,505	6,481	15.1
Nash.....	4,675	7,935	41.1
Packard.....	4,905	4,056	+21.0
Willys-Overland.....	1,052	1,188	+39.1
Crosley.....	405		
Total.....	24,651	29,236	15.7
Grand total.....	174,122	396,521	56.1

*The usual percentage distribution of passenger cars for General Motors (Option "B") has been adjusted with the following changes in numbers of cars: Chevrolet, -15, Buick, +1, Pontiac, +12, Oldsmobile, -11, Cadillac, +13. This adjustment was necessary in order to offset errors in 4 months' quotas as announced in Limitation Order L-2.

Alternative base period relieves hardship on parts producers

Hardships resulting from the base period established under Limitation Order L-4, which affects production of replacement parts for passenger cars and light trucks, will be relieved by the terms of an amendment issued November 22 by Donald M. Nelson, Director of Priorities.

The original limitation order provided that a spare parts producer may make during the period from September 15 to December 31, 1941, 60 percent of the number of parts sold by him for replacement purposes during the period from January 1 to June 30, 1941.

Reports reaching the automotive, transportation, and farm equipment branch of the Division of Civilian Supply showed that many producers have their heaviest output in the months from July to December.

Under the terms of the amendment, which was effective immediately, a producer may select either January 1-June 30 or July 1-December 31 as the base period on which to figure total production from September 15 to the end of the year.

Civilian Supply will urge more time to use up stocks of bright auto trim

The automotive, transportation, and farm equipment branch of the Division of Civilian Supply will take steps necessary to give the automotive industry an additional 15 days in which to use up existing stocks of bright finish or trim on passenger cars.

Under an order issued October 27 by Priorities Director Nelson, the use after December 15 of bright finish containing aluminum, copper, nickel or chrome was prohibited.

Exemption planned for some parts

The branch will recommend an amendment postponing the effective date of the Order to December 31 so that manufacturers can use up stocks finished or in process as of October 27. If any stocks still remain in inventory December 31, it is the purpose of the branch to permit manufacturers to use them only if they are painted or treated in some manner so that they will lose their identity as bright finish permanently.

This announcement was made by Andrew Stevenson, acting chief of the branch, at a meeting November 20 with the passenger car subcommittee of the automotive defense industry advisory committee.

At the same time, Mr. Stevenson announced that the branch has taken steps to exempt windshield wiper blade and arm assemblies, locks and lock covers, ventilator window latches, and body trim screws from the provisions of the order. Manufacturers have informed the branch that substitute materials for plating these functional parts have not yet been found.

May urge freezing of designs

Other action planned by the branch to conserve critical materials for defense will include a recommendation for issuance of an order to freeze 1942 passenger car model designs. This would eliminate necessity for retooling for 1943 models.

The passenger car subcommittee received suggestions from the Consumers' Division of the Office of Price Administration for simplification of models. Among these suggestions were elimination of de luxe and heavy models, reduction in amounts of extra equipment such as cigar lighters, clocks, and dual tail lights, and reduction in the number of colors used.

PRICE ADMINISTRATION . . .

OPA reveals evidence that zinc producer violated agreement not to sell to dealers

Definite evidence of violations by a major zinc producer of the agreements reached last February between the Government and all primary zinc producers regarding sales practices incidental to maintaining the informal price ceiling in effect since October 1940 has been secured by the Office of Price Administration, Administrator Henderson stated November 19. An agent of the producer and two zinc dealers are implicated.

The parties involved are the Hegeler Zinc Co. of Danville, Ill.; Sol M. Marks of Cleveland, Ohio, agent and dealer for the Hegeler Co.; Tyroler Metals, Inc., Cleveland; and Adam Hope Co., Detroit, dealers who handled Hegeler zinc.

Agreed not to sell to dealers

Last February zinc producers agreed in writing with Mr. Henderson, then a member of the Advisory Commission to the Council of National Defense, not to sell to dealers, but rather to deal direct with consumers. There was also an informal agreement to maintain the 7¼¢ a pound price which had prevailed since October 1940.

Evidence secured by OPA shows:

(1) The Hegeler Zinc Co., without requesting release from its agreement, has sold slab zinc to Sol M. Marks, Tyroler Metals, Inc., and Adam Hope Co. in their capacity as dealers.

(2) That in August 1941, Tyroler Metals, Inc., purchased two carloads of zinc, produced by the Hegeler Co., from Sol M. Marks, acting at that time as an agent for the Hegeler Co., at the established price of 7¼¢ a pound. This was paid to the Hegeler Co. Tyroler Metals then paid an additional 7½¢ directly to Mr. Marks, who, in addition, received a commission from the Hegeler Co. on these sales. OPA examined the books of the Hegeler Co., but did not find any evidence of a transfer of any of the 7½¢ per pound from Mr. Marks to the Hegeler Co.

Resale at 16½ cents charged

(3) The zinc purchased by Tyroler was resold by that company at prices ranging from 16½ to 17 cents per pound or from 9¼ to 9¾ cents per pound above the established market price.

(4) Between February 20 and June 13, 1941, Adam Hope Co. sold eight shipments of zinc totaling 230,339 pounds and bearing the stamp of the Hegeler Co. to the

Detroit Brass and Malleable Works at prices ranging from 10¾ cents to 15 cents a pound. Adam Hope Co. refused to permit inspection of its books in regard to these transactions. OPA found no evidence from an examination of the Hegeler Co.'s books indicating payments to that concern by the Hope Co. of any part of the difference between 7¼ cents and the price charged by the Hope Co.

Mr. Henderson pointed out that violation by the Hegeler Co. of the agreement not to sell to dealers created a situation permitting gross profiteering and inflation of prices not only for the zinc involved, but also for products made from the zinc. He suggested that buyers of the zinc might well explore the possibilities of proceedings to recover the overpayment.

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Maximum prices for new machine tools to be considered further

Further discussion of a schedule of maximum prices for new machine tools will take place at a third meeting early in December between representatives of the industry and OPA.

The initial meeting with machine tool makers was held October 22 after Mr. Henderson had announced that consideration was being given to the issuance of a formal ceiling price schedule. A second meeting took place November 18.

Machine tool manufacturers represented at yesterday's meeting included: Ajax Manufacturing Co., Cleveland, Ohio; American Tool Works Co., Cincinnati, Ohio; Axelson Manufacturing Co., Los Angeles, Calif.; Cincinnati Milling Machine Co., Cincinnati, Ohio; Cincinnati Planer Co., Cincinnati, Ohio; Clearing Machine Corporation, Chicago, Ill.; Ex-Cell-O Corporation, Detroit, Mich.; Hall Planetary Co., Philadelphia, Pa.; Heald Machine Co., Worcester, Mass.; Jones & Lamson Machine Co., Springfield, Vt.; Monarch Machine Tool Co., Sidney, Ohio; National Acme Co., Cleveland, Ohio; Niagara Machine Tool Works, Buffalo, N. Y.; Racine Tool and Machine Co., Racine, Wis.; Van Norman Machine Tool Co., Springfield, Mass.; Warner & Swasey Co., Cleveland, Ohio.

OPA halts prices of paraffin, important to defense and civilians, after sharp rise

A price ceiling on paraffin wax, important to both defense and civilian uses, was announced November 22 by OPA Administrator Henderson.

Paraffin wax is used in the manufacture of waxed, waterproofed, and photographic papers, lubricating and electrical insulating compositions, floor and furniture polishes, and candles; and in the coating of paper cartons for various materials.

It has many uses in connection with products which must be waterproofed or protected from drying, acting as a waterproofing agent for explosives and a coating for cartridges.

Sharp rises noted in crude

Mr. Henderson acted because prices of crude scale paraffin wax have risen sharply in recent months. He cited as an example that crude scale wax having a melting point of from 122° to 124°, which is one of the most widely sold grades, has increased from 2.8¢ to 6.25¢ per pound.

During 1940, the average price of this grade of wax was 3.86¢ per pound. Average prices last year were lower than the maximum prices set forth in the schedule.

After consultation with producers of both crude scale and refined wax, OPA determined that there was no justification for crude scale prices in excess of 4.25¢ per pound (122°-124°) and refined wax prices over 5.20¢ per pound (123°-125°). The maximum prices are effective December 1 and vary according to grade and melting point. Prices established for refined wax are approximately the same as those currently quoted while those on crude scale wax are below prevailing prices.

Consideration for exporters

OPA considered the position of exporters and jobbers in the wax industry, and the prices established are high enough to permit them to continue their operations.

Maximum prices are set forth for shipments of crude scale, semirefined, and fully refined wax in lots of 10,000 pounds or more, with differentials on smaller shipments on a delivered basis.

Basing points, on which the maximum prices apply on an f. o. b. seller's shipping point basis, are established as follows: Whiting, Ind., New York, N. Y., Philadelphia, New Orleans, Baton Rouge, and Texas Gulf ports.

Crude scale wax is usually of two grades, yellow and white, and is marketed mostly in two melting ranges, 122°-124° and 124°-126°.

Wax processed until it is white or colorless, odorless, and tasteless is termed fully refined wax and is sold in a number of grades differing in melting points ranging from 105° to 108°, Fahrenheit, to as high as 132° to 152°.

A petroleum by-product

Paraffin wax is a byproduct of the petroleum industry and must be removed from paraffinic petroleum crudes to obtain satisfactory lubricating oils. Many of the large petroleum refineries of the country are engaged in the production of this wax.

Prices set forth in the schedule for crude scale wax, both white and yellow, range from 4.25¢ per pound in loosely packed barrel shipments to 5.25¢ per pound, depending upon the melting point. Prices on semirefined wax, the term applied to wax which has an oil and moisture content below 1 percent, are within the same range. Prices of fully refined wax range from 5¢ on wax with a melting point of 120°-122° to 10.5¢ for a melting point of 149°-151°.

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Weigel named director of OPA regional office in Chicago

Appointment of John C. Weigel as director of a regional office being opened in Chicago by the Office of Price Administration was announced November 22 by Administrator Henderson.

Mr. Weigel was formerly on the executive staff of Sears Roebuck & Co. In addition he has held a number of important posts in the Illinois State Government.

The staff of the Chicago office will include representatives of the Price Division, the General Counsel's office, the Consumers' Division, and the accounting staff. Work of the office will be limited largely to investigations, inspections, and compliance problems referred from Washington, and to answering of queries from business enterprises affected by price actions of OPA.

The Chicago office is to be located in the Civic Opera Building adjacent to quarters of other defense agencies in Chicago.

Three more scrap dealers to refund excess

Three more large broker-dealers in iron and steel scrap have signed stipulations providing for the refund of all amounts collected since September 2 in excess of the maximum prices established by the Office of Price Administration in Price Schedule No. 4, Administrator Henderson announced November 19.

The latest cases involve a leading broker-dealer in Massachusetts and two of the largest broker-dealers in Kansas. A less prominent scrap dealer in Pittsburgh and a concern which acts as the scrap-buying agent for an abrasives mill also have signed refund stipulations, the administrator added.

"Upgrading," "commissions" scrutinized

Mr. Henderson stated that two prohibited practices currently are being given special attention by his office. These are "upgrading" of scrap in the Pittsburgh area and collection of 50-cent per ton "commissions" by brokers and dealers selling scrap out of their own yards.

The "upgrading" under scrutiny consists of reported sales of a newly improvised grade of scrap, termed "No. 1 industrial heavy melting scrap," as the equivalent of No. 1 railroad grade heavy melting scrap. The latter grade commands a premium of \$1 a ton over the so-called ordinary No. 1 heavy melting steel scrap under the schedule's provisions. "No. 1 industrial heavy melting scrap" may not be sold at a price above the maximum for ordinary No. 1 heavy melting scrap, Mr. Henderson said.

As to commissions, the administrator pointed out that the schedule sets forth specific conditions under which commissions may properly be charged. In order to collect a commission, according to one of these conditions, the agent or broker must be employed by a consumer to purchase iron and steel scrap for the consumer's use. Further, it is stipulated that a dealer who has never acted as a broker prior to June 18, 1941, "shall in no case be allowed a brokerage commission."

Brokers and dealers who are collecting commissions on sales of scrap that is prepared and shipped from their yards are clearly violating the schedule, Mr. Henderson said. Restitution of commissions improperly collected has been called for in several of the refund stipulations that OPA has obtained recently in its proceedings to enforce the schedule strictly.

Amended Southern pine price schedule puts ceilings on freight car building items

Amendment of the Southern pine lumber price schedule to bring freight car construction materials under a ceiling and to make other important adjustments was announced November 19 by OPA Administrator Henderson.

Maximum prices established for freight car decking, sheathing, and lining are from \$2 to \$8 per thousand board feet below existing levels.

Other adjustments

Other changes made by the amendment, which became effective November 24, 1941, include:

1. Top prices for flooring are raised for the two highest grades and reduced for the two lowest grades.

2. Allowance for mixed shipments is reduced from \$2 to \$1 per thousand board feet.

3. An addition of \$3.50 per thousand board feet is allowed in the case of retail direct-mill shipments, accompanied by specified retail services.

4. Ceiling prices of bevel siding are reduced, and those for the two highest grades of drop siding are adjusted to decrease the maximum for certain patterns and to increase the prices of other patterns.

5. Permissible additions to maximum prices for planing of boards are lowered and those for drying are increased.

Ceilings seemed unnecessary at first

When the Southern pine lumber schedule originally was issued, it was not considered necessary to include freight car materials since it was expected that the OPA ceilings for other items would serve to keep car material prices stable.

This expectation was not realized. Moreover, manufacturers of the higher grades of flooring, which are under the OPA ceiling, diverted some of their flooring production to freight-car materials. Supplies of high-grade flooring, already short, thus were reduced further.

The OPA amendment is designed to correct this situation in two ways. First, by setting maximum prices for the principal types of freight-car materials at less than current levels and, second, by increasing the ceilings for the two upper grades of flooring by \$3 per thousand board feet. Simultaneously, the top prices for the two lowest grades of flooring, supplies of which are adequate, are reduced by \$1 per thousand board feet.

A special allowance is made in the amendment for final inspection of car materials at the destination point, rather than at the mill. Destination inspections usually result in more rejections for defects and leave the rejected lumber at a distance from the mill; hence, they involve higher costs for the seller. The amendment allows an additional charge of \$5 per thousand board feet to cover these greater costs.

Reduction of the additional charge which the schedule allows for mixed car shipments from \$2 to \$1 per thousand board feet is intended to eliminate abuses.

The mixed-car allowance was designed solely to compensate the seller for added trouble and expense when the buyer wants a variety of items. Some sellers have attempted to obtain an extra \$2 per thousand by insisting that the buyer take a mixed car, whether he needs it or not, and by the inclusion in a straight car of the minimum number of added items to satisfy the mixed-car definition. In spite of repeated warnings to individuals by the OPA, this practice has continued. A trial period under the reduced allowance will be permitted, Mr. Henderson said, and if abuses continue, the mixed-car allowance will be eliminated from the schedule altogether. The same warning applies to the practice of insisting on selling specified lengths or kiln-dried lumber, for no other reason than to obtain a premium.

The schedule does not compel a seller to sell straight cars or random lengths if he has not customarily done so or is unable to do so; it merely requires that a seller who has usually filled such orders shall not now refuse to do so and demand that the buyer take a mixed car or specified lengths whether he originally wanted to or not.

Allowance for direct mill shipments

Allowance of not more than \$3.50 per thousand board feet in the case of direct mill shipments of a retail nature is intended to make provision for lumber retailers who are doing an increasing amount of business of this character. In order to be entitled to the additional charge, the sale must involve less than 20,000 board feet and must be accompanied by the usual services attending the sale of lumber out of a retail distribution yard. Among these services are: delivery to the job site or other point specified by the purchaser in such quan-

titles and at such times as the purchaser specifies; tallying and checking; the privilege of exchanging goods and returning unused material; and replacement of deficiencies out of stock.

The original schedule set a top price of \$47 per thousand board feet on bevel siding Grade B and better. By the amendment, bevel siding is divided into two thicknesses $\frac{5}{8}$ " and $\frac{1}{2}$ ". Maximum prices of \$45 and \$39 per thousand board feet, respectively, are established for the $\frac{5}{8}$ " and $\frac{1}{2}$ " thicknesses. This change brings bevel siding prices more nearly in line with the present market.

Price adjustments for drop sidings

Drop siding is regrouped in the amendment to set specific prices for four leading patterns and a separate list of prices for all other patterns. With respect to those patterns that are most costly to produce, the ceiling prices are raised \$4 per thousand feet in the 8" widths. The remaining patterns are reduced by \$5 per thousand in both 6" and 8" widths. These adjustments apply only to B and better and C grades of drop siding, the prices of other grades remaining unchanged.

The allowable addition to ceiling prices for air and kiln-dried boards and strips is increased 50¢ a thousand feet and now corresponds to the additions permitted for drying dimension lumber. The permissible addition for matched and ship-lap boards and strips is reduced 50¢ a thousand. By these changes, the schedule will reflect more accurately the actual costs involved in rendering these services.

As amended, the schedule expressly stipulates that the 50¢ allowable addition for chemical antistain treatment of boards, strips, and dimensions can be made to rough or air-dried prices, but not to kiln-dried prices.

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Doffing named price executive in charge of fuel section

George W. Doffing, head research analyst of the petroleum and coal industries for Scudder, Stevens & Clark, New York investment counsel, has been appointed price executive in charge of the fuel section of OPA, J. K. Galbraith, assistant administrator, announced.

Mr. Doffing succeeds M. Quinn Shaughnessy who was drafted from the Securities and Exchange Commission to organize the OPA fuel staff. Mr. Shaughnessy will continue with OPA as a consultant.

Defense News for Consumers

Price Protests Mount

One-third more complaints of the rising cost of living and petitions that "somebody do something about it" were sent to Miss Harriet Elliott, head of the Consumer Division, OPA, during the two-and-a-half-month period between September 1 and November 15 than during the entire previous 7-month period between last January and August.

A tabulation of the complaints shows that consumers are mainly concerned with the price of food in general, and milk, meat, eggs, and dairy products other than milk in particular. Many also condemned such price-raising trade practices as the marking-up of goods already on the retailer's shelves and advocated the quick passage of Federal price control legislation.

The tabulation of price complaints, broken down by commodities, is as follows: Food, in general without mentioning any specific item, 17.27 percent; rising cost of living in general without mentioning any particular commodity, 5.90 percent; milk, 14.18 percent; meat, 12.23 percent; eggs, 7.29 percent; dairy products other than milk, 6.99 percent; cereals and bakery products, 5.05 percent; sugar, 4.67 percent; fats and oils, 4.53 percent; coffee, 3.59 percent; canned fruits and vegetables, 3.38 percent; fresh fruits and vegetables, 3.02 percent; rent, 2.15 percent; clothing and textiles, 2.44 percent; hosiery, 1.51 percent; canned fish, 1.22 percent; soap, 0.57 percent; fuel, 0.57 percent; laundry and cleaning, 0.28 percent; miscellaneous, 3.16 percent.

The greatest number of complaints came from California and New York, with Pennsylvania, Illinois, Ohio, New Jersey, and Massachusetts following in that order. Only four states—Nevada, New Mexico, South Dakota, and Vermont—were not represented among the complaint letters.

The following excerpt from a letter received by Miss Elliott from a Chicago housewife is fairly typical of the great majority of complaints:

"My husband is a white collar man and has not received an increase in wages," this letter states. "With the constant increase in price of food, I find it impossible to manage on our income. We have three children, all of whom are growing rapidly, with the appetites that accompany such stages, and I simply cannot afford to buy enough for our actual needs, for the prices of foods are exorbitantly high. Surely you can do something to stem the tide of profiteering and

speculation, which is depriving us of the sheer necessities of life.

"How can we raise sturdy children for our defense if we must deny them nutritious food, due to these unfairly high prices? Surely if we, that always lived comfortably, find that we must deny ourselves actual necessities, such as curtailment of milk, butter, eggs, how can the housewives on a lower income level feed their families at all. I implore you to take our stand against the unfair food increases."

Other excerpts, typical of the letters received from all sections of the country which urge that "somebody do something" to control prices:

OHIO.—"We appreciate that you are doing all you can to keep prices down. Please can't you do something still more drastic * * * Prices are going up so terribly high that we'll have to go without new clothing just to buy food and coal and other absolute necessities."

KENTUCKY.—"Unless prices are halted, the sky will be the limit. No resultant good will have been done after prices have reached the peak. Time to control is before the conflagration has got out of control. Action is needed at Washington instead of so much camouflage and jittering around."

WASHINGTON.—"What good is the setting of prices of nonessentials when the essentials rise out of sight, such as milk, butter, meat, etc."

PENNSYLVANIA.—"Retailers and small stores blame wholesalers for food price increases. Wholesalers blame farmers. All blame high wages. Labor leaders blame prices. It seems that nothing will stop this sorry go-round but an act of Congress. So we are writing our Congressmen and urging others to."

LOUISIANA.—"I suggest that standards for a balanced diet, in the shape of menus embracing less expensive foodstuffs, be prepared for distribution in circular or pamphlet form. Then let the prices on the foods used in the pamphlet be fixed."

Every letter sent to the Consumer Division is individually answered. In cases where complaints are made of prices for a specific commodity, the Consumer Division explains the factors contributing to the price rise, compares the local price with the national average for that particular commodity, and indicates whether or not it appears to be out of line. The consumer is also informed of what the Federal Government is doing to prevent unwarranted price rises and is given suggestions of what might be done locally in some cases to keep the price of the commodity in question down. Where inexpensive substitutes are available, the Consumer Division calls attention to them.

Information on Wise Buying

During this period of national emergency, the stretching of the household dollar takes on an added significance, it was pointed out in a statement made last week by Miss Harriet Elliott, Associate

Administrator of the Office of Price Administration, in charge of the Consumer Division.

The statement was made in connection with an announcement by Miss Elliott that the Consumer Division began on November 17 to make available to women's page editors information on how housewives of the Nation could aid national defense by the wise buying and conserving of goods.

"The commodity information service which the Consumer Division began last week is designed to aid in educating the consumers of the United States to their roles as economic citizens," Miss Elliott said.

"More and more, the role played by the housewife in our national economy is becoming important to the success of the defense program. Every time the housewife buys her household supplies, she draws upon the entire productive facilities of the Nation—its limited supplies of raw materials, its labor forces, its factories and machines, and its transportation system of ships, trains, and trucks.

"If she buys these goods wisely and conserves them carefully—if, in other words, she manages efficiently so as to get 100 cents worth in value as a return for every dollar spent—then she is making a direct contribution to the defense effort."

The commodity information service will supplement the Consumer Division's semimonthly magazine, "Consumer Prices," which contains the same type of information as will be covered by the commodity service but which is circulated for the most part only to organization leaders.

Another service recently begun by the Consumer Division is food advice on the best buys in fresh fruits and vegetables every week in each of 28 cities. Intended as a marketing guide for week-end food shoppers in these localities, a report is made each week of the fresh fruits and vegetables which are cheapest or most reasonable in price and of best quality in each area at that time. This information is passed on to the consumers living in these localities by releases issued to the press associations, which in turn service the local newspapers, and to the local radio stations.

The data upon which the Consumer Division bases its recommendations on best buys in fresh fruits and vegetables are supplied by the Office of the Quartermaster General, which maintains a marketing center in each of the 28 cities covered by the service.

News for Retailers

Bedding Manufacturers Asked Not to Raise Prices

More than 1,200 manufacturers of mattresses, bedsprings, studio couches, metal beds, and pillows have been asked by the Office of Price Administration not to increase prices beyond the levels prevailing on November 1, 1941, Leon Henderson, administrator, announced November 21.

Letters sent to companies in the bedding industry pointed out that their products are important consumer goods and "play an important part in the maintenance of a sound price level." They also said that a program regarding prices in the industry is now being formulated for announcement in the near future. OPA hopes to secure the assistance and cooperation of companies in the industry in developing this program.

"In the interim, we urge you not to increase your present prices and to inform us of any contemplated price changes well in advance of such changes," the letter stated.

Following is the letter sent to the industry:

"The Office of Price Administration is charged with the duty of preventing inflationary price increases. As a leading consumer goods industry, the bedding industry, and you as a member, play an important part in the maintenance of a sound price level.

"Accordingly, the Office of Price Administration hereby urges you, as a member of the bedding industry, to refrain from increasing prices on the bedding items you manufacture above the levels prevailing on November 1, 1941.

"We are now formulating a program in the bedding industry in the development of which we hope to have your assistance and cooperation. We expect to announce this program in the near future. In the interim, we urge you not to increase your present prices and to inform us of any contemplated price changes well in advance of such changes.

"You may be certain that your patriotic cooperation in furthering the defense program by helping to prevent inflation is of genuine assistance to this Office and of real service to the Nation. May we

have an expression of your willingness to cooperate with our request as soon as possible."

Large Mattress Maker Rescinds Price Rise

Simmons Co., largest manufacturer of bedding in the United States, has cancelled a recent 5-dollar increase in the price of its "Beautyrest" mattresses at the request of the Office of Price Administration, Administrator Henderson announced November 21.

The Simmons price advance, which went into effect on November 3, touched off a series of price increases by other mattress manufacturers. Since the Simmons Company has now rescinded its action, it is to be expected that other mattress makers will return to their former price levels, Mr. Henderson said.

"Simmons Company is to be complimented for its very real contribution to the Government's efforts to avert price inflation," the OPA Administrator said. "Higher prices for mattresses inevitably would have disturbed prices for other articles of home furnishings. Our task in the home furnishings field has been made easier by the action of this important manufacturer."

Proposed Ceilings on Finished Bed Sheets Discussed

Technical questions involved in development of a schedule of maximum prices on finished bed sheets were discussed at a meeting November 14 between the staff of the Office of Price Administration and manufacturers, converters, and distributors of sheets.

The OPA ceiling will be below present prices and will be automatically adjustable in direct relation to fluctuations in raw "spot" cotton prices. Among the subjects discussed at the meeting were the price position of branded sheets, as compared with unbranded, and the trade position of wholesalers and jobbers.

Sheeting prices traditionally are quoted by a method of discounts off a "list." It is proposed to adhere to this method in the forthcoming schedule, with the exception that prices will be expressed specifically in dollars and cents.

Manufacturers, converters, and distributors represented at the meeting included:

Pacific Mills, New York; Iselin-Jefferson Co. (selling agents for Postex Cotton Mills, Post, Texas); Lamport Co., New York; Lockwood Co., Waterville, Maine; Nashua Manufacturing Co., Nashua, N. H.; Dates Fabrics, New York; Riverside & Dan River Cotton Mills, Danville, Va.; Cone Export & Commission Co., New York; Sears, Roebuck & Co., Chicago; J. L. Hudson Co., Detroit; Utica & Mohawk Cotton Mills, New York; Commander Mills, Sand Springs, Okla.; James H. Dunham & Co., New York; Deering-Milliken & Co., New York; Pequot Mills, Salem, Mass.; J. P. Stevens & Co., New York; Pepperell Manufacturing Co., New York; Federated Textiles, New York; Peizer Mills (subsidiary of Kendall Co., New York); Marshall Field & Co., Chicago; Cannon Mills, Kannapolis, N. C.; and Erwin Cotton Mills Co., Durham, N. C.

Quality Deterioration in Furniture Finishes

Consumers were warned last week by the standards section of the Consumer Division, OPA, to expect quality deterioration of furniture finishes.

It was explained that due to the demands of the defense program upon existing manufacturing facilities and the difficulties of importing certain resins from the Far East and Africa, the materials used in making high-quality paints, lacquers, and varnishes are no longer available in needed quantities for either defense or civilian use.

The same chemicals used in the type of highly protective finishes that consumers are accustomed to are also used in the making of explosives. They are also used in large quantities by the armed forces for camouflage paints, for protecting mechanized and other outside equipment from weathering, and for many other purposes.

As a result, paint, varnish, and lacquer manufacturers have been repeatedly urged by OPM to stretch the limited supplies by resorting to the 1920 formulas for their civilian products, using their old-time manufacturing processes instead of the more recently developed and better-quality synthetic materials.

This means, say officials in the Consumer Division's standards section, that the finishes used on such civilian goods as furniture can be expected to chip and stain more easily.

Chicago Holds First Training Program for Community Leaders

The first large-scale training program to be undertaken by the Chicago Consumer Information Center will be held November 28, with approximately 200 representatives from various districts within the Illinois Parent-Teacher Association attending.

A 2-day program, the meeting was designed to educate community leaders.

Simple rules offered to help householders save fuel oil for defense and own budget

Householders can contribute to defense and at the same time stretch their dollars by following a few simple rules in the operation of oil-fired heating plants. Miss Harriet Elliott, Associate OPA Administrator, in charge of the Consumer Division, says that studies made by her staff and other Government agencies indicate that a considerable proportion of the oil used in heating homes every year is wasted. By following better heating practices these investigations show that from one-third to one-half of the oil normally used in heating a house can be saved.

In many sections of the country this saving would amount to \$30 to \$40 worth of oil per year.

Keys to fuel economy

These are the four principal keys to fuel economy recommended by the Consumer Division:

1. Set your room thermostat at 70°. Avoid unhealthy, overheated rooms.
2. Have your heating plant tested for efficiency by an expert using these modern testing devices: The flue-gas analyzer, stack thermometer, and draft gage.
3. Keep flues and heating surfaces free of soot.
4. Cement air leaks around heating chamber.

Most homes overheated

Health and heating authorities agree that most homes with central heating systems are overheated. The United States Public Health Service considers dry, overheated rooms as playing, perhaps, an important part in producing colds. The Health Service recommends 70° as a suitable nighttime temperature, since it permits a relative humidity that taxes the mucous membranes of the air passages much less than the drier atmosphere and higher temperatures which usually are encountered in artificially heated spaces.

During the daytime, when members of the family are engaged in active physical effort, the thermostat may be lowered to 65°.

Lowering the house temperature after retiring to 50° will save 5 to 8 percent of the fuel, depending on the outside temperatures and the heat leakage from the house. If the outdoor temperature is at 30° there is a temperature difference of 40° between the outdoors and indoors in the case of a house maintained at 70°, and of 20° in the case of a house maintained at 50°—or half as

much. It takes twice as much fuel to keep the house at the higher temperature during this period. Radiators shut off in sleeping rooms after retiring will save fuel, or a clock thermostat set to turn the furnace off about half an hour to an hour before the customary time for retiring and start it again about 20 minutes before arising should soon repay itself in nighttime oil saved.

In having their heating plant inspected, householders are advised to secure the services of an expert who is skilled in using the carbon-dioxide flue-gas analyzer, the stack thermometer and draft gage. By making out a thorough combustion test report, the expert can determine the adjustments that must be made, or whether baffles are needed.

These measures can cut oil consumption from 10 to 50 percent, depending on the previous condition of the furnace.

Other precautionary measures

The flues and heating chambers may be cleaned of soot by the use of a long-handled wire brush. Air leaks about the ashpit or base, between the sections of a cast iron boiler or furnace, and around the clean-out doors and the firing door, may be detected by the use of a lighted candle while the furnace is in operation. These leaks can usually be sealed by furnace cement. Large leaks can sometimes be stopped by stuffing steel wool in the cracks.

Closing off rooms that are seldom used during the wintertime, rooms that are hard to heat, or where the windows are opened for cleaning or ventilation, and insulating rooms that are used the most, will afford further fuel economies.

6 named to accounting, analysis division

Six appointments to the division of accounting, analysis and review of the Office of Price Administration were announced November 17 by H. F. Taggart, division head.

ALPHONSE V. BRUDER, formerly project accountant for the Public Buildings Administration of the Federal Works Agency, was named to the consumers durable goods section. Previously, he was assistant treasurer of the Galco Dispenser Corporation of New York, manufacturer of motor oil dispensing equipment and lubricating devices. Mr. Bruder's home is in New York City.

ROBERT E. BURNS, formerly with the Bureau of Accounts of the Treasury, was appointed to the paper section. He is a member of the American Institute of Accountants, a certified public accountant, and lives in Portland, Maine.

PAUL D. HAMMACHER, formerly technical consultant to the United States processing tax board of review of the Treasury Department, was designated chief of the industrial machinery section. Mr. Hammacher has been in employ of the Federal Government since 1933, starting with the NRA. He was with the Public Works Administration in charge of the district office in Denver. He has had 13 years' experience in public accounting practice and has written a number of articles on cost, financial accounting, and budgetary control. Mr. Hammacher is a native of Oklahoma and lives in Sapulpa.

PERCEY L. HANSON was named to the lumber and building materials section. For several years Mr. Hanson was chief accountant of Hotchkiss Brothers and Co. of Torrington, Conn., millwork manufacturers. He has specialized in introducing cost accounting systems for millwork and lumber industries and is the author of several articles on the practical application of cost accounting principles relating to the industry. His home is in Torrington, Conn.

PAUL M. GREEN, on leave from the University of Illinois, where he is director of the corporation finance division, was appointed as policy assistant. Mr. Green was also on the faculty of the University of Florida as head of the department of accounting. During 1934-37 he was head research accountant for the Federal Housing Administration and has served as consultant for the division of defense housing of the Federal Works Agency. Mr. Green is a member of the American Accounting Association, American Economics Association, and the Royal Economic Society. He lives in Urbana, Ill.

L. DONALD MACKEY was appointed to the fuel section. He has had broad experience in the petroleum industry, originally with the Standard Oil Company of New York and subsequently with the Shell Oil Co., Inc., as assistant to the vice president and treasurer and later as division manager. His home is in Burlington, Vt.

Restrictions discussed on further price rises in heating and refrigerating coils

Restrictions on further increases in prices of heating and refrigerating coils and allied products are planned by the Office of Price Administration and a meeting of 22 representative manufacturers and wholesalers was called for November 24 to discuss the matter, OPA Administrator Henderson announced November 21.

Affected by the proposed OPA ruling will be finned coils, water heaters, radiators and convectors, unit heaters, coolers and air-conditioners, and heat exchangers. These products are used in the plumbing, heating, air-conditioning, and refrigeration industries.

Also covers products not of copper

While the OPM copper curtailment order is directly responsible for action by OPA to prevent further price increases in this field, the proposed limitation will cover a number of products not made of copper. This is considered necessary because such products either are competitive with similar items made of copper or brass, or are in the nature of substitutes. Hence, prices of all are subject to the same pressure for increases arising out of the copper limitation order.

The Nov. 24 meeting was to be held in the Mayflower Hotel in Washington. Although direct invitations were sent to only 22 manufacturers and wholesalers, any producer or jobber of the products involved was invited to be present.

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Burlap and bag committee

The Bureau of Industry Advisory Committees of the OPM announced November 18 the formation of a Burlap Importing and Bag Manufacturing Industry Advisory Committee:

M. S. Rosenthal, Stein Hall & Co., Inc., 285 Madison Avenue, New York, N. Y.; H. O. Cowing, Gillespie and Co., 96 Wall Street, New York, N. Y.; H. C. Duffy, H. A. Astlett and Co., 64 Water St., New York, N. Y.; B. J. Corman, American Bag and Burlap Co., Chelsea, Mass.; L. O. Sprosty, General Bag Corp., Cleveland, Ohio; S. Band, American National Bag and Burlap Co., Brooklyn, N. Y.; T. W. Little, Bemis Bros. Bag Co., 40 Central St., Boston, Mass.; G. M. Schurman, National Bag Corp., New York, N. Y.; F. H. Ludington, Chase Bag Co., 155 East 44th St., New York, N. Y.; H. J. Steele, H. Newhall & Co., Newhall Building, San Francisco; L. W. Harris, Ames, Harris, Beville Co., San Francisco; G. A. Gumbrecht, Henry W. Peabody & Co., 230 California St., San Francisco.

Makers of railroad cars, locomotives, equipment asked not to exceed Oct. 1 prices

Manufacturers of railroad freight and passenger cars, locomotives, and maintenance of way and signal equipment have been asked not to increase prices above the levels in effect on October 1, 1941, OPA Administrator Henderson announced November 21.

The request, in the form of a letter, stated that OPA is studying the entire railroad equipment field and that formation of panels of industry members is under consideration.

Get first-hand information at meetings

To get first-hand information on price problems, policies and procedure, meetings of OPA with railroad car and specialty manufacturers and producers of maintenance of way and signal equipment were held in Washington on November 18 and 19, respectively. Locomotive builders and specialty manufacturers have been invited to a similar meeting November 25.

The OPA studies will cover freight and passenger cars of all types; car specialties, such as brake equipment, draft gears, roofs, doors, seats, lighting and heating equipment and other passenger car fittings and fixtures; steam, electric, Diesel, and gasoline-powered locomotives; locomotive specialties, such as feed water heaters, injectors, sanders, and superheaters; and maintenance of way and signal equipment and apparatus.

Asked not to change pricing practices

Mr. Henderson's letter also requested manufacturers not to change their practices with regard to extra charges, discounts, allowances, or concessions and to continue to use the same methods of pricing specially designed equipment "so that the price set on special equipment will be the same as would have been set had the estimate been made on October 1, 1941."

"In making these requests," the administrator's letter added, "I recognize that you may have had certain cost increases in respect to labor and materials. This is offset by the fact that most companies are presently operating close to capacity and that overhead per unit of production has shown a tendency to fall. It is likewise a matter of importance that a ceiling has been placed on the price of steel, the major component of railroad equipment. In addition, ceilings on castings and forgings are presently under discussion.

"In the event that you have effected any price increases after October 1, 1941, please inform me as to their nature and extent, together with your reasons in support of such changes. Please do not make any price increases after the date of this letter without submitting to us for review your data justifying such increases well in advance of the date when such increase is contemplated.

"I will appreciate your acknowledging the receipt of this letter and stating whether or not your company will be represented."

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COMMUNITY FOOD CENTER HANDBOOK IS READY

The U. S. Department of Agriculture suggests that modern community food preservation centers can play a vital part in conserving America's Nation-building food supply.

Looking forward to the part these centers can play in making the most of the "Food-for-Freedom" program now getting underway, the Department's Bureau of Home Economics has ready a new handbook—"Community Food Preservation Centers" (M. P. 472), available from the Department to leaders in the organization of such centers.

"The purpose of a community food preservation center is to provide more food for better nutrition," points out the handbook—"to set up food resources that can be drawn on to keep diets up to standard. Some centers serve individual families; some supply schools serving lunches; some make food available to low-income families in a community.

"But in no way does such a center supplant the work of the commercial canner. Rather, it is a clearing house for local surpluses too small to be moved in carload lots—surpluses that might go to waste if not preserved immediately near the source of supply."

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USO facilities near completion

Most of the buildings being constructed by the Government for USO operation are now nearing completion, according to Brig. Gen. F. H. Osborn, chief of the Army Morale Branch. By Christmas it is expected that service men will be enjoying the benefit of these facilities.

Criteria for division of materials among civilian goods discussed by Browning

Allocations of scarce materials to makers of civilian goods will be worked out for the greatest benefit of the greatest number of people, A. J. Browning, special assistant to Priorities Director Nelson, told the Kiwanis and Rotary Clubs of Baltimore and Baltimore manufacturers, November 19. Among the criteria he mentioned were proportion of materials used to number of man-hours of employment created; degree of necessity of the products, and nature of the community involved.

Excerpts follow:

Let's stop kidding ourselves about these shortages. They are real, they are pressing, they are realities that cannot be explained away or ignored.

Inventory ratios going down

True enough, quantities of some of these scarce materials have been accumulated in inventories here and there. True enough, you do occasionally hear stories about this or that shipyard having a huge stock of steel. True enough, there have been cases in which the Armed Services have stocked up with materials beyond their immediate, day-to-day needs. But any man who adds a few isolated facts such as these together and concludes that there really are no shortages is simply kidding himself. And a businessman who shapes his company's policies on such a conclusion is heading for the worst kind of trouble.

These shortages are not inventory shortages. Actually, today, our inventories of raw materials have not gone up nearly as rapidly as production has gone up. It is true that some manufacturers have heavier inventories than they would normally carry. But in general terms the stuff simply is not in inventories. The ratio of inventories to production has been going down steadily. If we cut every public and private inventory in the United States down to its bare bones overnight, that would only relieve these shortages temporarily.

Pinch even in steel

Even on steel, there is not going to be enough so that industry may have all that it wants; and on some kinds of steel the shortage is going to be pretty acute,

Look at it from another angle. The total steel-producing capacity of the United States, England, Canada, and Russia is far greater than the total ca-

capacity of Germany, her Axis satellites, and the captive countries. That looks comforting, doesn't it? But it isn't so comforting when you view it from a closer range. For one thing, Hitler has been devoting his entire steel output to military purposes for at least 6 years. He has picked up large accumulations of steel in the countries he has conquered. In Russia he has been fighting on an advancing front, which means that all of the wrecked tanks, artillery, and so on fall into his possession, for reconditioning or for use as scrap. Furthermore, there is nothing static about this war. If Russia should collapse and Hitler should control her steel industry, the scales would be just about even. If Russia and England both should fall, he'd have at his disposal a greater steel capacity than we have.

I mention that to indicate the extreme importance of meeting all the military demands that are made upon us, no matter how sharply we may have to cut into our civilian economy to do it.

Everything possible will be done

All of the producers for the civilian trade who use these scarce materials must cut down on their use of them in every way possible—through substitution, through redesigning, and so on. Many of them will face sharp curtailment of output. Some of them must convert their plants either to straight defense production or to the production of more essential civilian goods. And some, unfortunately, will have to close their doors.

That isn't a pleasant picture; but while it is not pleasant, neither is it hopeless. There is much that can be done to ease the situation. I want to promise you that everything that *can* be done, by your government, *will* be done. In return, I think your government has a right to expect that business and industry will do all that they can do, too, to help in this situation.

We have got to preserve little business. The existence of the small, independent business man is basic in our economy. But there is more to it than simply saying, "We are going to save little business—period." It is an extremely complicated proposition and there is no easy, open-and-shut answer to it.

Division among factories

Suppose that you are a Government official; suppose that you have 5,000

pounds of copper which you can use to relieve the distress of civilian manufacturers. Here is a factory with 20 workers; 5,000 pounds of copper will keep that factory in operation for 1 year. Over here, however, there are 10 other factories, each with 50 workers. These factories use a much smaller quantity of copper than does the first one; your 5,000 pounds will keep all 10 of them going for a year. Where are you going to put that copper?

"Greatest good for greatest number"

Obviously, you are not going to give it to the 1 factory which has 20 workers; you are going to give it to the 10 factories which have, in all, 500 workers. You want to use that copper so as to help the maximum number of companies and the maximum number of workers. There's no argument but that it's better to save 10 factories and 500 workers than 1 factory and 20 workers.

That's not an extreme case. It is a sample of the kind of thing you immediately run into whenever you start to plan on allocating critical materials so as to keep small business firms from going under. And the first point I am trying to make is that the size of the company, by itself, cannot be the sole criterion. In other words, we must remember the old adage about the greatest good for the greatest number of people. Observing that adage in the face of shortages such as we now face is a very complicated task.

Division among industries

Let's use copper as an illustration once more. Suppose you propose to allocate an insufficient supply of copper among all nondefense industries. Let's say that you have just half enough copper to meet all civilian demands.

You can't start out by saying that all industries must take a flat 50 percent cut. That would allocate the copper, all right, but it would also wreck the country. For there are some industries to which you may actually have to give more copper, rather than less. The defense program won't work if our transportation system can't operate on a higher-than-normal level; it won't work if the electric-power industry isn't expanded; it is going to make more telephone and telegraph lines necessary; it is, in short, going to call for an expansion, not a reduction, in a number of lines of civilian activity. But if these key industries have to get their normal quantity of copper or better, some other industries are going to be forced to take a reduction much greater than 50 percent. You'll have to cut some

60 percent, some 70 percent, some 80 or 90 percent.

The many determining factors

Which means that you have to go down the line, industry by industry, and take a great many factors into consideration. You study a given industry to see how much of each variety of raw material it uses. You must learn the relative scarcity of each of these materials. You must find the number of man-hours worked in the industry, and you must study the figures to see how many man-hours are worked for each weighted unit of critical materials; in other words, does the industry use much or little material in proportion to the amount of employment it provides? That's our old question of the 1 factory with 20 workers versus the 10 factories with 500 workers, you see.

Then there is the industry's product to consider. Is it an absolute necessity—something we can't whittle down even in a dire emergency? Is it a necessity, but a necessity whose use can be curtailed without too great loss? Is it something that is desirable but hardly essential? Is it purely a luxury? Is it something we actually might be better off without? Is there a scarcity of this particular product? Does this product replace some other product which uses larger quantities of critical materials? Is it made of some of the materials of which there is a surplus?

Division among communities

You must have the answers to all of those questions before you can decide how much, if any, a given industry should be curtailed. And when you have made that determination you still have the problem of curtailing operations within the industry. If you are curtailing the industry as a whole by 50 percent, does that mean that each individual factory within the industry should be curtailed by 50 percent? That may sound like the fairest way, offhand—until you stop to examine it. Suppose you have 2 factories in the same industry, each employing 2,000 men. One is in a large city where there are many factories busy on defense work; the other is in a very small city, and is the only industry of any consequence which that city has. If you curtail the big city factory by 50 percent, the displaced workers will soon be absorbed by the nearby defense plants and the city will not have suffered much. If you curtail the small city factory by 50 percent, however, you practically wreck the town and the jobless workers may have to travel far and look long

before they find new jobs. Clearly, therefore, you may not find it advisable to curtail every plant within an industry to the same extent. You must continue to bear in mind that adage about the greatest good for the greatest number.

Given size limit unworkable

More than 2 months ago Donald M. Nelson called me to Washington and asked me to see if we could work out a plan whereby we would simply allocate a certain portion of all of the critical materials to build up a pool, out of which we could make pro rata allotments to all small manufacturing firms which come under a given size limit. I have been working on that assignment ever since—and it just can't be done.

It would be a good way to meet this situation, if it would only work; but it won't work.

In the first place, we don't have the materials. There are over 180,000 manufacturing establishments in the country. Probably upwards of 100,000 of them could properly be classed as small plants—and by "small" I mean plants that have around a score of employees, or fewer. Now each one of these plants might need only a comparatively small quantity of materials; but in the aggregate the amount required to keep all of them going would be tremendous. These shortages, to repeat, are very, very acute; with the best will in the world we cannot promise that everybody will be taken care of. We are going to have to be selective. And in being selective we cannot simply make the size of the plant the sole consideration. After all, the worker who loses his job because his plant closes will be in just as bad a fix if he is one of 20 employees as he will if he is one of 15; the capital of the factory owner will evaporate just as surely if the plant that gets closed employs 100 men as it will if the plant employs only a dozen. You cannot draw a horizontal line anywhere through our economy and guarantee that you will save everybody under it. The best you can do is determine that in making allocations and in making curtailments you will be guided by the ruling motive that the greatest possible number of people must be employed and the smallest possible number of businesses injured. That motive is being and will be followed in the handling of this whole allocation and curtailment program. I promise you that; and I promise you it will be followed faithfully and energetically.

Now there is another angle to this problem that deserves consideration. I think that the manufacturer, be he large

or small, does neither himself nor his country any service whatever if he assumes that his only hope of escape from these shortages is through Government help.

There are two big factors in the manufacturer's favor.

First is the fact that our defense requirements are becoming so huge that before we get through we are going to need the services of every shop and factory that can possibly turn out military items.

A chance to make essential civilian goods

The second favorable factor is the pressure of increased civilian buying power. That pressure, of course, is what is causing these shortages; and because of these shortages we have got to strip our productive machinery down to essentials, cut out the frills, stop making gadgets, and in general confine ourselves to the production of the things the Nation really needs. But the point I am trying to make is that it may be just as important for the man who is producing less essential goods to convert his plant to the production of essential goods, or goods that do not use critical materials, as it is to convert to the production of military goods. The man who can make such a shift most certainly increases his own chance of survival.

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Treasury booklet tells how to do business with Government

A booklet designed to supply information to manufacturers and dealers on procedures necessary to establish and maintain business relations with the Procurement Division of the Treasury Department was issued by that agency last week.

Entitled "Doing Business with the Procurement Division," the booklet answers many inquiries which are being received. Included is a synopsis of laws affecting Federal procurement, an explanation of the Division's functions and how to get on its bidder's list, addresses of the State Procurement Offices and descriptions of the types of purchasing in which the Division is engaged. Features of the invitation to bid are discussed, as are types of bids and performance bonds, inspection, awards, protest and instructions for receiving prompt payment for goods sold.

Copies of the booklet are available without charge from the Procurement Division at Washington, D. C.

PURCHASES . . .

Defense spending runs ahead of 1917-18; production per dollar probably is higher

A comparison of the present industrial defense effort with that of the United States during 1917 and 1918 was made public November 24 by the Bureau of Research and Statistics, OPM.

The study shows:

1. Disbursements for industrial activity month by month are running at a higher level today than in World War I.

2. Due to a lower price level today, the country probably is getting more for its money for every dollar spent than in 1917 and 1918.

3. Because of increased industrial efficiency through technical advances and billions of dollars of additional investment, the productive capacity of each workman has been vastly increased.

To arrive at an approximate figure for industrial disbursements for defense in the current effort, OPM economists took monthly totals of disbursements paid on defense contracts and added payments made by foreign governments for war materials produced in the United States. The disbursements for World War I were estimated on data which give a comparative picture.

Commodity price index now 78

In order to compare expenditures for military purposes, money paid out for food shipments to the Allies in 1917-18 was deducted from total expenditures in the first period. The amounts spent for food under the Lend-Lease Act are only a small part of total disbursements, hence they have not been deducted.

The disbursement figures used in this study were not corrected for differences in prices of 23 years ago and now. The Bureau of Labor Statistics index of prices on all commodities at wholesale stood at 114 in April 1917 and 78 in July 1940 (1926 equals 100); hence it is assumed that a given dollar volume of disbursements probably represented a smaller physical volume of production at 1917 prices than at 1940 prices.

The study also takes account of the fact that in April 1917 the war effort had been going on for almost 3 years and

the Allies had been making substantial purchases of munitions and other materials in the United States for about 2 years. Under the stimulus of these purchases munitions production capacity had been built up, and when we finally declared war on Germany considerable plants and experience were available.

It was also pointed out that in May 1918, 14 months after the beginning of all-out effort, military disbursements less pay and subsistence of the armed forces, were \$1,019,000,000, or at the rate of 20 percent of the estimated national income of \$59,700,000,000 for 1918. In August 1941, also the fourteenth month of

all-out defense effort, similar disbursements were at the rate of \$1,075,000,000, or approximately 15 percent of the estimated present rate of national income.

Tremendous advances in industrial efficiency have been made since 1917-18, it is noted. Over-all industrial efficiency can be measured roughly by output per man-hour—the quantity of goods one man can produce in 1 hour. Economists have constructed index figures designed to show relative output per man-hour of American industry. These computations indicate an increase in the output of the average industrial worker of about 135 percent between the period of World War I and World War II.

The gain means that the average industrial worker with today's equipment can turn out two and one-third times as much as he could 23 years ago.

\$60,047,676 War Department contracts

Defense contracts totaling \$60,047,676 and one letter of intent totaling \$525,000, were awarded by the War Department and cleared by the Division of Purchases, Office of Production Management, during the period November 13 through November 19. This compares with a total of \$51,863,888 for the previous week.

EQUIPMENT AND SUPPLIES

Windsor Co., Windsor, Conn. (Mill: Cannon Mills, Kannapolis, N. C.); 2,003,180 bath towels; \$807,282.

American Woolen Co., New York, N. Y.; 4,000,000 yds. olive drab flannel shirting; \$7,876,000.

Lorraine Mfg. Co., Pawtucket, R. I.; 450,000 yds. olive drab flannel shirting; \$849,000.

American Woolen Co., New York, N. Y.; 2,896,000 yds. olive drab, dark shade, serge cloth; \$9,061,584.

Livingston Worsted Mills, Holyoke, Mass.; 200,000 yds. olive drab, dark shade, serge cloth; \$630,125.

Lorraine Mfg. Co., Pawtucket, R. I.; 550,000 yds. olive drab, dark shade, serge cloth; \$1,651,600.

American Woolen Co., New York, N. Y.; 1,604,000 yds. olive drab, light shade, serge cloth; \$5,018,916.

Botany Worsted Mills, Passaic, N. J.; 2,000,000 yds. olive drab, light shade, serge cloth; \$6,010,000.

Metcalf Bros. & Co., New York, N. Y. (Mills: Wanskuck mill, Providence, R. I.; Mohegan Mill, Nasonville, R. I.; Oakland Worsted, Oakland, R. I.); 400,000 yds. olive drab, light shade, serge cloth; \$1,280,000.

Gera Mills, New Jersey Worsted Mills, Garfield, N. J. (Mill: Passaic, N. J.); 225,000 yds. olive drab, light shade, serge cloth; \$704,500.

American Woolen Co., New York, N. Y.; 638,000 yds. olive drab wool lining cloth; \$1,000,384.

Barnebey Cheney Engineering Co., Columbus, Ohio; impregnated charcoal; \$788,988.

General Motors Corporation, Chevrolet Division, Flint, Mich.; 1½-ton trucks; \$594,962.

International Harvester Co., Ft. Wayne, Ind.; 2½-ton trucks; \$744,944.

CONSTRUCTION

La Sala Mason Corporation, New York, N. Y.; 1942 rehabilitation program (15 buildings), Picatinny Arsenal, N. J.; \$529,000.

Extruded Metals Defense Corporation, Grand Rapids, Mich.; additional plant facilities for production of extruded aluminum alloys; \$6,615,761. (Defense Plant Corporation agreement of lease).

The Houde Engineering Corporation, Buffalo, N. Y.; acquisition and installation of additional machinery and equipment for the manufacture of aircraft parts; \$731,000. (Defense Plant Corporation agreement of lease).

Scott and Williams, Inc., Laconia, N. H.; construction of additional buildings for manufacture of aircraft instruments; \$609,331. (Defense Plant Corporation agreement of lease).

AIRCRAFT

Reynolds Metals Co., Louisville, Ky.; aluminum-foil, rod sheet, tape, tubing, etc.; \$938,262.

Bell Aircraft Corporation, Buffalo, N. Y.; parts for airplanes; \$1,358,943.

Fairchild Aviation Corporation, Jamaica, L. I., N. Y.; aircraft cameras, cone assemblies, etc.; \$1,919,897.

Bendix Aviation Corporation, Eclipse Aviation Division, Bendix, N. J.; starter assemblies; \$3,434,735.

Jack & Heintz, Inc., Cleveland, Ohio; automatic pilot assemblies; \$4,525,650.

Curtiss-Wright Corporation, Curtiss Propeller Division, Caldwell, N. J.; propeller assemblies and controls; \$656,880.

Curtiss-Wright Corporation, Buffalo, N. Y.; parts for airplanes; \$861,620.

Goodyear Tire & Rubber Co., Inc., Akron, Ohio; life rafts; \$798,294.

LETTER OF INTENT

Aircraft

War Supplies, Ltd., Washington, D. C.; propeller blades; \$525,000.

248 projects for defense plant expansion, totaling \$535,000,000, approved in September

Two hundred and forty-eight projects for defense industrial plant expansions were approved by Government agencies during September. The estimated cost totals \$535,000,000, the Bureau of Research and Statistics, OPM, reported November 17.

Of this amount, \$433,000,000 were public funds committed for 53 projects—52 United States Government financed and one financed by a foreign government. Private financing, as measured by certificates of necessity approved, covered 195 projects amounting to approximately \$52,000,000.

3,004 approved through September

This brings to 3,004 the total number of defense industrial projects approved from June 1940 to the end of September 1941. Their total estimated cost is \$5,260,463,000. Commitments of public funds on 628 projects—568 United States Government commitments, and 60 foreign government commitments—amounted to \$4,266,707,000, or 81 percent of the total estimated cost. The estimated cost of 2,376 privately financed projects is \$993,756,000.

The tables on this page break down these figures by type of product for which the plants are being built, by source of funds, and by States.

DEFENSE INDUSTRIAL FACILITIES

Value of industrial facilities financed with public and private funds by States and source of funds through Sept. 30, 1941

[Thousands of dollars]

State	Total estimated cost	Public ¹ estimated cost	Private ² estimated cost
Grand total.....	\$5,260,463	\$4,266,707	\$993,756
Alabama.....	230,571	196,254	34,317
Arizona.....	130	130	0
Arkansas.....	64,864	64,184	678
California.....	240,139	193,390	46,749
Colorado.....	32,746	31,856	890
Connecticut.....	162,163	116,842	45,321
Delaware.....	1,940	1,315	595
District of Columbia.....	8,848	9,848	0
Florida.....	8,016	2,337	5,679
Georgia.....	7,571	4,693	2,878
Idaho.....	555	555	0
Illinois.....	275,972	235,326	40,646
Indiana.....	318,557	289,229	29,328
Iowa.....	71,880	67,975	3,905
Kansas.....	64,011	79,920	4,091
Kentucky.....	44,521	28,790	15,731
Louisiana.....	72,975	62,511	10,464
Maine.....	13,264	12,004	1,260
Maryland.....	99,500	80,435	19,065
Massachusetts.....	133,449	111,367	22,082
Michigan.....	322,458	280,924	41,534
Minnesota.....	43,783	39,793	3,990
Mississippi.....	18,956	18,170	786
Missouri.....	563,506	198,376	5,130
Montana.....	1,594	1,740	154
Nebraska.....	13,735	12,597	1,138
Nevada.....	63,637	63,169	468
New Hampshire.....	19,028	18,787	241
New Jersey.....	190,852	146,834	44,018
New Mexico.....	2,694	1,617	1,077
New York.....	419,424	338,835	80,589
North Carolina.....	25,395	8,132	17,263
North Dakota.....	316	316	0
Ohio.....	431,155	329,606	102,149
Oklahoma.....	82,414	81,215	1,199
Oregon.....	23,365	21,207	2,158
Pennsylvania.....	484,572	392,043	92,529
Rhode Island.....	12,786	11,548	1,238
South Carolina.....	26,617	18,797	7,820
South Dakota.....	134	134	0
Tennessee.....	166,276	102,890	63,386

Value of industrial facilities financed with public and private funds by States and source of funds through Sept. 30, 1941—Continued

State	Total estimated cost	Public ¹ estimated cost	Private ² estimated cost
Texas.....	\$224,256	\$191,775	\$32,481
Utah.....	39,726	39,714	12
Vermont.....	4,761	2,784	1,977
Virginia.....	146,133	132,561	13,572
Washington.....	111,223	86,694	24,529
West Virginia.....	111,797	84,153	27,644
Wisconsin.....	50,811	33,982	16,829
Wyoming.....	134,122	10,058	124,064
Undesignated.....	11,950	10,690	1,260
Noncontiguous.....			

¹ Includes facilities estimated to cost more than \$25,000 which are direct obligations of the War and Navy Departments (including financing through Government supply and emergency plant facility contracts), Maritime Commission, Defense Plant Corporation, British Government and loans of the Reconstruction Finance Corporation.

² As reflected by certificates of necessity approved. Excludes pilot and mechanic training.

³ Revised.

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Health supplies and safety equipment branches created

Douglas C. MacKeachie, Director of Purchases, announced November 19 the creation of two new industrial branches in the Division of Purchases. The branches were created by splitting the health supplies and fire equipment branch, whose responsibilities had become both too diverse and too extensive to be grouped in one branch.

The new health supplies branch will have jurisdiction over drugs, medicines, surgical supplies, dental supplies, hospital supplies, toilet goods, and cosmetics. The chief of this branch is William M. Bristol, Jr., assistant director of purchases, who has come to OPM on leave of absence from the Bristol-Myers Co. of Hillside, N. J., drug manufacturing firm of which he is vice president.

The other new branch is the safety and technical equipment branch. Under its jurisdiction will be all motorized fire equipment, fire extinguishers, fire hose, and fire-hose couplings, sprinkler systems and a variety of safety and technical equipment. Chief of this branch will be Oakley W. Dexter, of San Francisco, purchasing agent for the Crown-Zellerbach Paper Co. of San Francisco. Mr. Dexter will assume his new duties shortly with the title of assistant director of purchases.

Chief of the old Health Supplies and Fire Equipment Branch was W. Emmet Bittner, assistant director of purchases, who has been on leave as purchasing agent for the Diamond Alkali Corporation of Pittsburgh. The heavy amount of defense work undertaken by this corporation has made it necessary for Mr. Bittner to return to the corporation's service.

DEFENSE INDUSTRIAL FACILITIES

Value of industrial facilities financed with public and private funds by type of product and source of funds through Sept. 30, 1941

[Thousands of dollars]

Type of product	Total		Source of funds			
			Public ¹		Private ²	
	Number of plant expansions	Estimated cost	Number of plant expansions	Estimated cost	Number of plant expansions	Estimated cost
Total.....	3,004	\$5,260,463	628	\$4,266,707	2,376	\$993,756
Chemicals (including explosives).....	132	727,568	37	658,448	95	69,120
Products of petroleum and coal.....	24	36,716	2	14,334	22	22,382
Iron and steel products.....	444	550,448	60	371,637	384	178,811
Ammunition, shells, bombs, etc.....	291	851,708	101	810,297	190	41,411
Guns.....	163	314,186	71	289,131	92	26,055
Aircraft.....	334	975,761	152	879,515	182	99,246
Ships and ship repair.....	152	715,699	71	691,652	81	24,047
Vehicles and tanks.....	71	52,536	13	30,671	58	21,865
Nonferrous metals and their products.....	134	461,410	31	302,672	103	158,738
Machinery (except electrical).....	632	251,440	80	126,582	552	124,858
Electrical equipment.....	141	49,324	25	29,731	116	19,593
Miscellaneous manufacturing.....	228	107,798	25	62,637	203	45,161
Nonmanufacturing.....	299	162,789	1	400	298	162,389

¹ Includes facilities estimated to cost more than \$25,000 which are direct obligations of the War and Navy Departments (including financing through Government supply and emergency plant facility contracts), Maritime Commission, Defense Plant Corporation, British Government, and loans of the Reconstruction Finance Corporation.

² As reflected by certificates of necessity approved. Excludes pilot and mechanic training.

NOTE.—Number of plants by product groups do not add to totals because of duplication of facilities between product groups.

TRANSPORTATION . . .

64,680 new freight cars installed by railroads in first 10 months of 1941

Class 1 railroads installed 64,680 new freight cars in service in the first 10 months of 1941, according to reports made to Ralph Budd, transportation commissioner, by the Association of American Railroads. While this performance exceeded the 54,791 new cars installed in the corresponding period of 1940, the number would have been considerably greater if shortages of materials had not caused a lag in the car-building program.

Of the new freight cars installed in the 10 months period this year, 34,128 were box, 26,412 coal, 1,583 flat, 1,853 refrigerator, 123 stock, and 581 miscellaneous cars.

New locomotives installed in service in the first 10 months of 1941 totaled 493, of which 117 were steam and 376 electric and Diesel. Installed in the first 10 months last year were 320 new locomotives, of which 84 were steam and 236 electric and Diesel.

Class 1 railroads on November 1, this year, had 80,504 new freight cars on order, compared with 27,459 on the same day last year.

New freight cars on order on November 1, this year included 53,452 box, 22,169 coal, 326 stock, 2,059 flat, 1,730 refrigerator, and 768 miscellaneous.

They also had 611 new locomotives on order on November 1, this year.

Railroads carry 200,000 service men in October

Approximately 200,000 members of the Nation's armed forces were moved by rail during October, according to reports made to Ralph Budd, Transportation Commissioner, by the Association of American Railroads. This brings the number of service men carried by the railroads in the first 10 months of this year up to a total of 2,227,196.

378 special trains

The October rail movement of the Army, Navy, and Marine Corps was handled by transporting 98,483 men on 378 special trains and 100,856 on regular trains. There was no movement of the Civilian Conservation Corps personnel during the month, it was said.

Thousands of furloughed service men traveled on the railroads in October, but these are not included in the announced figures.

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CARLOADINGS INCREASE

Total revenue freight carloadings for the week ended November 15 totaled 883,839 cars, an increase of 18.6 percent over the corresponding week in 1940 when loadings totaled 745,295 cars, and an increase of 10,254 cars over the preceding week in 1941 when loadings totaled 873,585.

This increase followed a seasonal decline of several weeks. Carloadings in the week ended November 8 were 21,000 fewer than in the previous 7-day period.

The details follow:

CARLOADINGS—WEEK ENDED NOVEMBER 15

	1941	1940	Percent increase
Grain and grain products.....	40,297	29,999	34.3
Livestock.....	15,741	17,851	11.8
Coal.....	168,274	148,453	13.4
Coke.....	12,805	11,847	8.1
Forest products.....	43,267	35,814	20.8
Ore.....	57,934	37,944	52.7
Merchandise l. c. l.....	156,278	150,273	4.0
Miscellaneous.....	389,243	313,114	24.3
Total.....	883,839	745,295	18.6
Cumulative (46 weeks).....	37,573,529	32,177,926	16.8

¹ Decrease.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

Public merchandise warehouses 79.5 percent occupied October 1

Harry D. Crooks, consultant on merchandise warehousing, has reported to Transportation Commissioner Budd that on October 1 the Bureau of the Census found vacant space in public merchandise warehouses as reported monthly to that Bureau to be 7,000,000 square feet or 20.5 percent of the occupiable space. This compares with 20.1 percent September 1.

The 387 warehousing firms cooperating in this survey reported space conditions as follows: Total gross space computed from outside building measurements, 65,230,759 square feet; gross space intended for purposes other than public warehousing of general merchandise (that is, space intended for warehousing of cold storage products and household goods and space leased as landlord to tenants), 23,776,113 square feet; gross space intended for public warehousing of general merchandise, 41,454,646 square feet, of which 7,625,678 square feet were reported as unoccupiable (consumed by exterior and interior walls, aisles, elevator shafts, stairways, offices, receiving and delivery platforms, shipping rooms, rest rooms, columns, etc.). Of the 33,828,968 square feet of

occupiable space intended for public warehousing of general merchandise, 26,880,316 square feet were reported as occupied.

Following is a regional comparison of percentages of occupancy for October 1, 1941, September 1, 1941, and October 1940.

	Oct. 1, 1941	Sept. 1, 1941	Oct. 1, 1940
New England.....	67	69.1	52.6
Middle Atlantic.....	83.8	85.8	74.6
East North Central.....	87.8	87.4	77.6
West North Central.....	71.7	70.5	66.5
South Atlantic.....	75.9	79.8	75.5
South Central.....	72.2	66.1	71.8
Mountain and Pacific.....	76.7	79.3	75.5

A very high occupancy is shown for the following localities: Detroit, 94.3 percent; Chicago, 92.8 percent.

New York City and nearby New Jersey report approximately 2,500,000 square feet of vacant space or an occupancy of approximately 85.5 percent. Storage demand for both Government and industry continues to concentrate in the territory east of the Mississippi, south of the Great Lakes, north of the Mason and Dixon Line and east to the Atlantic.

President authorizes OPM to requisition property it deems necessary to defense

President Roosevelt last week authorized the Office of Production Management, within the framework of two acts of Congress, to requisition property it deems necessary to national defense. The Executive order follows:

EXECUTIVE ORDER

PROVIDING FOR THE ADMINISTRATION OF THE REQUISITIONING OF PROPERTY REQUIRED FOR NATIONAL DEFENSE

By virtue of the authority vested in me by the Constitution and the statutes of the United States, and particularly by the Act of October 10, 1940, entitled "An Act to Authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," and the Act of October 16, 1941, entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States" (hereinafter referred to as the Acts), and in order to provide for the effective administration of the requisitioning of property required for the defense of the United States, it is hereby ordered:

1. The Office of Production Management, in addition to the responsibilities and duties described in Executive Order No. 8629 of January 7, 1941, and Executive Order No. 8875 of August 28, 1941, shall, except as may otherwise be provided hereinafter, exercise the powers and authorities conferred upon the President by the Acts.

War, Navy Departments to cooperate

2. Whenever the Office of Production Management determines, in accordance with the provisions of the Acts, the necessity for requisitioning property, that Office may:

a. requisition and dispose of such property on its own account; or

b. provide for the requisitioning and disposition of such property through the Department of War, the Department of the Navy, or any other department or agency of the Government authorized to engage in the procurement of property of the type subject to requisition under the Acts.

3. Whenever requested by the Office of Production Management, any department or agency of the Government is hereby authorized to requisition and dis-

pose of property in accordance with the provisions of the Acts and to make available to the Office of Production Management such personnel, including officers of the armed services, as may be necessary to enable that Office to carry out its functions under this Order. The United States Marshals also are hereby authorized and directed, when requested by, and in accordance with directions of the Office of Production Management or the head of any department or agency of the Government authorized to requisition property pursuant to this Order, to requisition and dispose of property.

Determining factors

4. The Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Agriculture, the Chairman of the United States Maritime Commission, the Executive Director of the Economic Defense Board, or the head of such other agency as the President may from time to time designate, may initiate action for the requisitioning of property by submitting proposals for the requisitioning and disposal of such property to the Office of Production Management, whenever he determines that:

a. such property is of the type which may be requisitioned under either of the Acts;

b. with respect to proposals for requisitioning property under the Act of October 16, 1941:

(1) the use of such property is needed for the defense of the United States,

(2) such need is immediate and impending and such as will not admit of delay or resort to any other source of supply,

(3) all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted.

(4) If the property to be requisitioned is machinery or equipment, such machinery or equipment is not in actual use in connection with any operating factory or business or is not necessary to the operation of such factory or business, and

(5) the property to be requisitioned is not a firearm possessed by an individual for his personal protection or sport, the possession of which is not prohibited by existing law;

c. With respect to proposals to requisition property under the Act of October 10, 1940, there exists a necessity for requisitioning the property in accord-

ance with the provisions of section 1 of the Act.

"Fair and just compensation"

The head of any department or agency acting pursuant to the provisions of this paragraph shall be authorized to requisition and dispose of such property, provided that the Office of Production Management determines that the proposed requisitioning and disposal of such property is consistent with the priorities and allocations program and the general production and supply plan of the Office of Production Management.

5. The Office of Production Management or the head of any department or agency which requisitions property pursuant to this Order shall determine the amount of the fair and just compensation to be paid for any property requisitioned pursuant to the Acts, and the fair value of any property returned in accordance with section 2 of the Act of October 16, 1941.

SPAB to guide policies

6. The Supply Priorities and Allocations Board is authorized to establish policies to govern the Office of Production Management and the several requisitioning agencies in exercising the authorities and performing the functions vested in them by this Order, and to issue such rules and regulations as may be necessary or proper to carry out the provisions of this Order.

7. The head of any department or agency of the Government authorized to requisition property pursuant to this Order may, subject to regulations promulgated by the Supply Priorities and Allocations Board, require and compel a disclosure of information under section 4 of the Act of October 16, 1941.

8. The Office of Production Management shall from time to time, but not less frequently than once every three months, transmit to the President a report of operations under this Order.

9. All Executive Orders or regulations, or any parts thereof, heretofore issued under the Act of October 10, 1940, are hereby rescinded insofar as they are inconsistent with the provisions of this Order.

10. This Order shall not affect the authority of the United States Maritime Commission with respect to the requisitioning and disposal of vessels under the terms of section 902 of the Merchant Marine Act, 1936, as amended, or by virtue of Executive Order No. 8771 of June 6, 1941, and Executive Order No. 8881 of September 2, 1941, issued pursuant to Public Law 101, 77th Congress, approved June 6, 1941.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Nation-wide farm organization formed for post-defense planning

The Department of Agriculture announced last week the establishment of a Nation-wide organization of farmers and Department workers to make plans for a program for agriculture in the post-war period.

A Department Committee on Post-Defense Planning and nine regional committees were named by Secretary of Agriculture Wickard, to draft a broad agricultural plan for "a post-war world in which we will make full use of our manpower and our resources for the benefit of the American people." The Washington committee is headed by Roy I. Kimmel, of the Bureau of Agricultural Economics, and includes representatives of all the major agencies in the Department.

Wickard repudiates pessimism

These committees will work in cooperation with the State agricultural colleges and the State and county agricultural planning committees, which include 122,000 farm men and women in nearly 1,900 counties.

In a memorandum setting up the new

planning organization, Secretary Wickard said that "In some quarters there is a fear that a severe economic depression is inevitable when the defense effort ceases."

"The Department of Agriculture does not share this pessimism," he said. "We believe the country need never go through a major economic depression again. We believe it is possible to maintain a national income greater than ever before in the history of the Nation."

"As the work takes shape in the field, it will be brought together and integrated on a national basis," he said. "I hope that within the next year we will have a number of carefully prepared plans for public activity, which will fit the needs of each region in terms of employment, conservation of our resources, and for improved levels of rural living."

To work with other agencies

The post-defense planning activities of the Department will be closely coordinated with similar work in other fields being done by the National Resources Planning Board, the Public Work Re-

serve, the Federal Security Agency, and other Government agencies. Department of Agriculture officials responsible for this work also expect to cooperate with farm organizations, industrial groups, and other nongovernmental organizations interested in post-defense planning.

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Farm machinery and equipment advisory committee named

The Bureau of Industry Advisory Committees of the OPM announced November 17 the formation of the farm machinery and equipment industry advisory committee.

Committee members are:

George C. Stoddard, secretary, the DeLaval Separator Co., 165 Broadway, New York, N. Y.; Wade Newbegin, president, R. M. Wade & Co., Portland, Ore.; H. Dempster, president, Dempster Mill Manufacturing Co., Beatrice, Nebr.; Z. W. Craine, president, Craine, Inc., Norwich, N. Y.; P. E. Herschel, vice president, R. Herschel Mfg. Co., Peoria, Ill.; W. J. Fisher, vice president and general manager, A. B. Farquhar Co., Ltd., York, Pa.; George A. Kelly, president, G. A. Kelly Plow Co., Longview, Tex.; J. L. McCaffrey, vice president, International Harvester Co., 180 North Michigan Ave., Chicago, Ill.; Roger M. Kyes, vice president, Ferguson Sherman Mfg. Corporation, Dearborn, Mich.; J. P. Wheeler, general manager, David Bradley Mfg. Co., Bradley, Ill.; J. C. Myers, president, The F. E. Myers & Bro. Co., Ashland, Ohio.; D. Ray Hall, president, Gravely Motor Plow & Cultivator Co., Dunbar, W. Va.; Lee Madden, vice president, Stover Mfg. & Engine Co., Freeport, Ill.; Colin Brown, president, E. C. Brown Co., Rochester, N. Y.; S. Mahon, vice president, James Mfg. Co., Fort Atkinson, Wis.; C. D. Wiman, president, Deere & Co., Moline, Ill.; King McCord, vice president, Oliver Farm Equipment Co., 400 West Madison St., Chicago, Ill.; Theodore Johnson, secretary, J. I. Case Co., 700 State St., Racine, Wis.; W. A. Roberts, general manager, Tractor Division, Allis Chalmers Mfg. Co., Milwaukee, Wis.; W. C. MacFarlane, president, Minneapolis-Moline Power Implement Co., Minneapolis, Minn.; W. H. Roberts, Jr., sales manager, S. L. Allen & Co., Inc., Philadelphia, Pa.; L. J. Brower, treasurer, Brower Mfg. Co., Quincy, Ill.

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MORE SHIPS ADDED TO TRAIN SEAMEN

In order to meet the ever-increasing demand for capable seamen, the United States Maritime Commission last week announced plans for the addition of four ships to its existing six-ship training fleet. The intensified training program is designed to produce more than 15,000 trained seamen in 1942 and 1943. These men are being trained to fill skilled positions in the deck, engine, and steward's departments.

50,000 submarginal acres transferred to War Department for defense training use

More than 50,000 acres of submarginal land purchased in connection with the Federal land utilization program has been transferred by the Soil Conservation Service to the War Department for use in the national defense training program, the Department of Agriculture announced.

Munitions plant on Illinois land

Some of the transfers will be permanent while others will be for the duration of the emergency. The largest single tract transferred permanently so far by the Service is an 11,000-acre area in the Crab Orchard land utilization project in Williamson and Jackson Counties, Ill. The War Department will construct a munitions plant on this area.

Tracts transferred for the duration of the emergency include 9 thousand acres in Lanier and Lowndes Counties,

Ga., and five 600-acre sites in northern Louisiana.

Military reservations on many tracts

Tracts which have been transferred permanently to the War Department include 6,000 acres in Clinton County, N. Y., an extension of the Plattsburg military reservation; 7,500 acres in Jefferson County, N. Y., an addition to the Pine Camp military reservation; 9,500 acres in Monroe County, Wis., for the Camp McCoy military reservation; and 1,000 acres in Muskogee County, Okla., which is being used for a rifle range.

Land utilization project areas in the Southern States were made available to the War Department during recent army maneuvers. Soldiers of both the Red and Blue armies camped on some of the project lands, and after the maneuvers, recreational facilities were turned over to the soldiers while they rested preparatory to returning to base camps.

Fertilizer material prices of World War I unnecessary now, says OPA official

In an address before the National Fertilizer Association in Atlanta, November 19, T. E. Milliman, chief, agricultural chemicals unit, food and food products section, OPA, declared: "The price levels at which fertilizer and fertilizer materials moved to the farms during the spring and fall of 1941 were within the reach of most classes of farmers. . . .

The Office of Price Administration is alert to the actions of that small portion of the fertilizer trade that seeks to capitalize for its own benefit on speculative opportunities occasioned by the confusion, stresses, and strains of our great Democracy arming itself for its preservation. The runaway markets of the first world war, in nitrogen materials, in potash, and even in superphosphate, are unnecessary now."

Further excerpts:

There is no part of the fertilizer industry unaffected by the war.

This fertilizer industry is concerned with Government not only on the availability and prices of materials, transportation and supplies, but also with any necessity that may arise for scheduling available supplies among various crops proportionately according to the most vital interests of the Nation.

Have not kept pace with technology

In the light of today's need for full use of the Nation's manpower, equipment and supplies, we can face an old, old problem—that of inert fillers—from a new vantage point. This problem is still with us in 1942 because the habits and customs of farmers, fertilizer agents and the mixing industry itself have not kept pace with the technical advances of the nitrogen, superphosphate and potash industries in producing materials of higher plantfood concentration.

As a result, we are using measurable amounts of labor, equipment, plant space, power, transportation and packages which could be saved for other vital national uses.

Educational efforts needed

How may this situation be corrected? It is a known fact that farmers will apply more plantfood when it is of medium concentration and at lower cost per unit. To bring agriculture and the selling habits of an industry up to the level of the technology of that industry is no simple task. Nor is it one which fertilizer manufacturers alone can handle. Clear-cut educational material, designed for use

among farmers, local dealers and agents, and among fertilizer salesmen, is definitely required.

To develop and operate an educational campaign of this magnitude requires the combined resources of the U. S. D. A., State colleges and the experiment stations, county agricultural agents, high school and secondary teachers of agriculture, big and little fertilizer companies, the Office of Production Management and the Office of Price Administration.

In the industry are many manufacturers of complete fertilizer who genuinely desire to have useless and inert fillers completely eliminated. Others, including a few small mixers who by virtue of location can make freight and labor savings on inert filler material, are content with the status quo. The Government plans to request the industry's consulting committee to constructively analyze these opportunities at an early date. If our combined efforts take hold, one of our problems of 1942, somewhat ironically, may be to urge farmers to reduce applications to crops in plentiful supply and on which medium grades of fertilizer are being substituted for low grades, while at the same time urging them to fertilize more heavily the vital food crops of national need. Proper educational efforts should go far toward solving this problem.

If our national need for everything useful grows greater, it may become necessary for some type of National Government action to be taken against the use of inert fillers. In the event that such action becomes necessary, the Government will expect the advice and counsel of the industry on the most effective ways and means of procedure.

What price fertilizer?

The price levels at which fertilizer and fertilizer materials moved to the farms during the spring and fall of 1941 were within the reach of most classes of farmers. Moving back from the farms to the local dealers or agents, we find that, for the most part, normal retail margins prevailed. There was little or no profiteering here.

Moving back further, from the dealer to the factory, the price situation that prevailed allows the statement that here, too, normal margins for production, overhead, and selling costs were the rule.

Moving all the way back to the essential materials, we find that prices of

nitrogen and potash were reasonable. And mixers who do not produce superphosphate were able to buy from their larger competitors within limits which permitted free competition with acidulators, who also sell complete fertilizer. This situation should continue to prevail.

I wish here to express appreciation to steel and coke producers and to handlers of sulphate of ammonia, who have continued to maintain the \$28 and \$29 prices requested by Administrator Henderson in his letter of May 22nd. This product is the largest single source of fertilizer nitrogen and is produced by many companies.

The general adherence to the \$28 and \$29 prices requested by Administrator Henderson, and to the \$30 price for spot goods, makes more conspicuous the few—chiefly resellers of various kinds—who have obtained, or who attempted to obtain, higher prices reaching up as far as \$40 for bagged goods at ports.

The Office of Price Administration is alert to the actions of that small portion of the fertilizer trade that seeks to capitalize for its own benefit on speculative opportunities occasioned by the confusion, stresses, and strains of our great Democracy arming itself for its preservation. The runaway markets of the first world war, in nitrogen materials, in potash, and even in superphosphate, are unnecessary now.

Maximum service at moderate cost

As converters of other people's commodities and merchandisers of complete fertilizer, the mixed-goods industry has been accustomed over a long period of years to operate on a close, and at times nonexistent, margin of profit. The whole economy of the mixed-fertilizer industry, including a scaling down of sales costs in general, has been geared to render maximum service at moderate cost.

As the industry turns now toward 1942, with materials at moderate prices, either in hand or flowing, a sudden hallucination that a great profit opportunity has arrived would be decidedly out of focus.

More concern is being given by Government on prices of materials than upon prices of complete fertilizer. The movement of mixed fertilizer from factory to farm has been much more highly competitive than the movement of nitrogen materials, superphosphate, and potash to the fertilizer factory. The scramble for farmers' business is generally severe, and for many years competition has been the best determinator of mixed-goods prices. With materials not in liberal but in adequate supply for the mixers, I have no doubt that the accustomed situation will again prevail.

INTER-AMERICAN AFFAIRS . . .

Shipping, trade, education among recent concerns of Rockefeller office

Varied and far-reaching activities, merging into the broad program of the United States Government for the friendship, security, and economic welfare of the American republics, were described last week by the Office of the Coordinator of Inter-American Affairs, in a review of operations.

The task of Coordinator Nelson A. Rockefeller and his staff is to coordinate the activities of public and private agencies which seek the improvement of inter-American relations within the general policy of solidarity and understanding.

Uses existing personnel where possible

Recently, shipping, trade development, industrial education, and radio communication facilities have been among topics given special attention. From all the American Republics and many sections of the United States have come proposals, requests, and offers of cooperation which suggest a growing spirit of Continental fraternity.

The Office of the Coordinator seeks to use existing facilities and personnel, both public and private, in implementing the Good Neighbor policy. The Office itself administers projects when there is no organization or agency to carry out the proposed work.

The work of the office is divided into four broad classifications—financial and commercial development; cultural interchange; communications; and social and civic welfare.

Advice on merchandising

Besides his service as Coordinator, Mr. Rockefeller is chairman of the Inter-American Development Commission, created by the Inter-American Economic and Financial Advisory Committee. That committee was established by recommendation of the Panama Conference held in 1939. The Inter-American Development Commission has been studying means to develop further the resources of the other American Republics and expand commerce of noncompetitive products. The Commission is appointing in each country a local commission composed of businessmen, financiers, and government officials to survey opportunities for development of new agricultural and industrial enterprises in their

republics. Eighteen national commissions have already been established.

The Inter-American Development Commission has established a Merchandising Advisory Service in New York City to provide advice and assistance to producers of consumer's goods in the other American republics for sale here. The Service also assists United States buyers in finding new sources of supply in Central and South America, and encourages greater use of our retail goods in the other American republics.

The Office of the Coordinator, collaborating with the Departments of State and Commerce, has undertaken a program for the replacement of agents of United States firms and their distributors identified with anti-American activities in the other American republics. This work contributed toward the creation of the "Proclaimed List of Certain Blocked Nationals," in the preparation of which the Coordinator's Office participates.

Industrial scholarships set up

An Inter-American Industrial Scholarship program was recently inaugurated, in cooperation with banking, commerce, and industry to bring young men from the other American nations for a period of training in the United States.

The Office is represented on a number of committees relating to the other American republics. A representative of the Coordinator serves as a member of the Policy Committee at the Office of Export Control, the Clearance Committee in the Clearance Division of the Office of Export Control, and the Reviews and Appeal Committees in the Licensing Division of Export Control. The Coordinator serves with representatives of the Maritime Commission and the Departments of State and Navy on an Inter-American shipping committee.

A study of air transportation in the other American Republics carried on by the Office of the Coordinator has resulted in the creation of the American Republics Aviation Division of the Defense Supplies Corporation, which is aiding in maintaining and expanding national air services.

A program for training pilots, mechanics, and engineers has been started in cooperation with the Civil Aeronautics

Administration, the War Department, the Department of State, and the Federal Loan Agency. It is designed to aid all countries of the hemisphere in the expansion of nationally owned and operated commercial airlines.

Funds for agricultural surveys

Funds of the Office of the Coordinator have been allocated to the Department of Agriculture to be used for survey parties developing tropical agriculture and working out a program to relieve agricultural problems in certain of the republics. Fourteen such parties have been organized.

Among the cultural relations operations of the Office, the educational activities have been important. A program has been initiated greatly to expand the teaching in United States schools of subjects dealing with Central and South America, through the Education Committee of the Office of the Coordinator. The Committee is preparing, in collaboration with the United States Office of Education a list of teaching aids for distribution to teachers in the United States. The two agencies also are collaborating in sponsoring the preparation and distribution of 250 traveling exhibits of aids in the teaching of Central and South American subjects, including books, motion pictures, and radio programs. A broad program for interchange of scholars, students, and specialists has been inaugurated. One of these projects was the special school session held early in 1941 at the University of North Carolina for students of the other American republics, in cooperation with the American Council of Learned Societies.

Seeks to overcome language handicap

Through its work in publications, the Office of the Coordinator is attempting to overcome the language handicap which has prevented the literatures of the American republics from reaching one another. Postal rates on books mailed between the United States and the other American Republics have been reduced, royalty difficulties ironed out, good translators found, and provision made for inexpensive editions of books for the republics to the south.

The office has arranged for the showing of contemporary United States paintings in a number of the principal cities of South and Central America. The sculptor Jo Davidson has been sent to South America to execute busts of the ten presidents of the South American

Republics. These will be exhibited in the United States and in the other American republics.

An extensive program of local long-wave news broadcasts in the other American republics, based on American news reports, has been inaugurated. Recordings of special programs, employing the talent of the American nations, are being made for distribution in Central and South America. Arrangements have been completed for sending recordings of our radio programs to the other republics of the Americas for local rebroadcast. Short-wave stations have greatly expanded to broadcast short-wave programs, including news, entertainment, and educational programs, to Central and South America.

The office encourages the publication of news articles and pictures about the United States in the South and Central American republics, and the publication in the United States of news articles and pictures concerning our neighbor republics.

Films to be distributed

A broad program of production and distribution of nontheatrical films has been inaugurated. A collection of these is being prepared for distribution in this country and in the other American republics.

In the field of social and civic welfare, the Coordinator has initiated a series of projects of cooperation and interchange of personnel among the republics. Through one of these projects, the directors and representatives of 17 schools of social work in the other American nations were brought to this country for a month of observation and study of social work in the United States.

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Army buys, loads, ships 75 tons in less than a day's time

On a recent Thursday an Army Quartermaster Depot was notified that shipping space was available for 75 tons of supplies, but they had to be stowed aboard a ship which was to sail 19 hours later. The Quartermaster Corps swung into action. With the assistance of a Quartermaster marketing center, the 150,000 pounds of subsistence destined for an overseas station was procured overnight. When the ship sailed the next day, it carried the provisions needed by one of the Army's outlying defense bases.

Three programs suggested to stimulate local interest in Inter-American Affairs

Three suggested programs designed to stimulate community interest in Inter-American cooperation have been prepared and distributed to civic groups and individuals, it was announced recently by the Office of the Coordinator of Inter-American Affairs.

These programs, which have been prepared by Mary N. Winslow, adviser for Civic Projects in the Office of the Coordinator, have been mailed to national women's organizations as well as to hundreds of groups and individuals, who have requested assistance in planning community programs.

Round table suggested

Program No. 1 is entitled "Community Action" and includes the following suggestions:

1. Organization of a round-table discussion to determine to what extent the community is interested and active in bringing about greater cooperation and understanding between the United States and the other American Republics; it is suggested that local leaders in all fields should be brought into the discussion;
2. Organization of a series of meetings to follow the round table, from which the following examples of community activities might develop: A permanent council or clearinghouse on inter-American cooperation, increased teaching of subjects dealing with the American Republics; emphasis on books in the library about the other Republics, and increased sales of products from our hemisphere neighbors.

Commercial products

Program No. 2 is entitled "Commercial Products of the Other American Republics" and suggests the organization of a series of meetings to discuss and examine the American products that can, or could, be purchased in the community. It is suggested that at each meeting there be a speaker to talk about the social and economic conditions of the individual country whose products are being discussed.

History and civilization

Program No. 3 is entitled "Study of History and Civilization of the Other American Republics." The topics suggested include:

1. The Continent and Its People; 2. The Spanish Conquest; 3. Beginnings of National Existence; 4. The A B C Republics; 5. The Other Republics of South

- America; 6. Mexico and the Caribbean; 7. Culture and Education; 8. Development of the Pan American Ideal; 9. The Western Hemisphere as an Economic Unit; 10. Women of the other Americas; 11. Social Welfare and Labor.

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Salvadoran Commission created

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced November 20 the membership of the Salvadoran National Commission, sixteenth commission established by the Inter-American Development Commission in its program for the stimulation of trade among the American republics.

Members of the Commission

The Salvadoran Commission is headed by Luis Alfaro Duran, president of the Banco Central de Reserva. The other members include:

Enrique Alvarez, as vice chairman. Señor Alvarez is director of the Banco Hipotecario and president of the Asociación de Productores de Café.

Carlos Alvarez, prominent coffee grower; Mario Sol, agriculturist and economic adviser to the president of Salvador; Ricardo Sagrera, Jr., former president of the Chamber of Commerce, and José Manuel Mata, Minister of Finance, as Secretary of the Council.

First meeting held in San Salvador

Arrangements for the establishment of the Salvadoran Commission were completed in San Salvador where an initial meeting has been held. Similar commissions composed of outstanding business, professional, and technical men have been formed in Brazil, Argentina, Uruguay, Paraguay, Chile, Bolivia, Peru, Colombia, Ecuador, Venezuela, Panama, Nicaragua, Guatemala, Costa Rica, and Honduras.

The Inter-American Development Commission, organized by the Inter-American Financial and Economic Advisory Committee, is seeking to stimulate the importation of noncompetitive goods from the other American republics to the United States, increase trade among the other Americas, and encourage the development of industry in Central and South America and the Caribbean area, with particular regard to the production of consumer goods.

HEALTH AND WELFARE . . .

Expanded recreation aid for soldiers and workers reported from all over Nation

Communities throughout the United States are extending their facilities to provide recreation for men in uniform and workers in defense industry, according to reports reaching the Office of Defense Health and Welfare Services from its recreational field representatives.

Local groups and individuals are doing their part to strengthen the health and morale of the armed forces and industrial workers, by providing wholesome leisure-time activities.

The following are examples of a wide variety of community programs in all sections of the country.

WINDSOR LOCKS, CONN.

The community recreation committee invited some of the sergeants and enlisted men from the air base to attend a meeting. As a result, a program of objectives was worked out which included an increase in the number of stag parties and an emphasis on informal recreation rather than organized parties—the "drop-in-any-time" kind of hospitality.

FORT CUSTER, MICH.

When a hurry call for a poster painter to publicize a dance drew a hundred applicants among the service men at Fort Custer, Mich., the result was the organization of an art project for leisure time. A WPA arts and crafts instructor was put in charge and the Fort held an art show. Eighteen of the men were professional artists in civilian life. During the army maneuvers in Tennessee 20 of these men took field paint boxes and sketched the troops in action. They brought back a sheaf of true-to-life pictures of America's 1941 army.

NEW YORK CITY

The Associated Musicians of Greater New York, Local 802, and 11 cooperating unions, gave a dance and festival for 2,000 soldiers, sailors, marines, and coast-guardmen, under the sponsorship of the New York City defense recreation committee. The boys had as their dancing partners 2,000 girls from the chorus lines of two motion-picture houses and four popular musical comedies, as well as American beauties from two model agencies. Music was provided by three of

America's outstanding exponents of popular music.

The cooperating unions furnished, among other things, 1,250 pounds of assorted cold cuts, 300 pounds of assorted cheeses, 1,400 loaves of bread, 12,000 bottles of Coco Cola, 5,000 bottles of assorted soft drinks, and 5,000 assorted pastries. One hundred waiters and one hundred counter men volunteered their services.

RICHMOND, VA.

The Richmond Defense Recreation Committee has organized special committees for special activities for defense workers in the ship-building yards. One committee sponsors athletic games; another interviews new families moving into Richmond, and a third studies the needs of preschool age children.

RAVENNA, OHIO

Workers in the Ordnance plant at Ravenna recently had a theater and dinner party. The Ravenna Ordnance Players gave a vaudeville performance in the new outdoor theater. After the show approximately 200 guests attended a chicken dinner. Dancing followed.

WILMINGTON, N. C.

Although the town of Wilmington, N. C. has a full-time program of hospitality for the men from Camp Davis and Camp Gibbons, residents were called upon to expand their activities to include approximately 2,000 men passing through on maneuvers. Five open dances were held. Showers were available in eight different centers. This extended hospitality had just got under way when the Naval training ship *Empire State* dropped anchor off Wilmington, and 200 sailors were added to the community. By that time the defense recreation committee decided that a few hundred more or less made very little difference. Everyone had a fine time.

During the maneuvers, motion picture houses in North and South Carolina were open on Sundays—at reduced prices, not during church hours, and as an emergency measure which they expect to terminate with the close of maneuvers.

BROWNWOOD, TEX.

Brownwood, Tex., is an example of what towns near camps are doing to wel-

come soldiers back from maneuvers. Dances were held in the WPA Memorial Hall Center, Army YMCA, NCCS Center, Episcopal Church Parish House, Hot Wells Swimming Pool, Lake Brownwood District Park, and two street dances with the girls registered at a central point and assigned to the various dances by a central committee. Music was furnished by orchestras from the various army bands. This celebration was a cooperative effort of all the agencies in the city. Merchants, newspapers, city, county, Federal agencies, USO, and private individuals entered into plans and worked diligently to put the program over and make the boys feel at home.

JACKSONVILLE, FLA.

A Negro center has been established on the grounds of an old Negro schoolhouse. Here a group of 70 colored volunteers furnish entertainment for the soldiers. In addition to providing partners for dances and games, they have worked up a repertoire of plays, musical numbers, and stunts, which they perform at the center and in the Service Center at Camp Blanding.

FORT HUACHUCA, ARIZ.

A special train, arranged for by the local defense recreation committee, took 178 Negro soldiers from Fort Huachuca, most of them Ohio boys, to the USC-Ohio State football game in Los Angeles, Calif.

PORTLAND, OREG.

When the 41st Division passed through Portland, 4 days of entertainment were planned for these Oregon boys. They camped at Swan Island, where a huge barbecue was given. Twenty deer donated by the State Game Commission were barbecued by restaurateurs. Ten thousand cups of ice cream and carloads of fruit were taken to the camp. The Women's Corps put 75 cars at the service of the soldiers. The theaters recognized the uniform in lieu of tickets. A ball was given at the Masonic temple and a street dance in another part of town.

SAN FRANCISCO, CALIF.

The number served by Hospitality House, the service center for San Francisco, has exceeded 75,000 since its opening on August 9. Every day a different women's organization takes over the house, furnishing refreshments and

dancing partners. The men who attend can be counted in the hundreds each day. The house was built entirely free of cost by union labor with material furnished by the City of San Francisco.

CHURCH GROUPS OFFER HOSPITALITY

Church groups everywhere offer hospitality and recreation to the boys away from home.

The First Presbyterian Church of Watertown, N. Y., adopted the 31st Infantry at Pine Camp. This church entertained the soldiers as a group at their regular services and at church dinners. It also turned over its basketball court to the boys. Many of the church members invited the soldiers to their homes. In return the 31st entertained the church members at Pine Camp. They took them on a tour of the camp, had a special service in the chapel, and entertained them at Sunday dinner in the mess hall.

The Methodist Church of Wadesboro, N. C., raised \$600 for the entertainment of soldiers during maneuvers. The pastor has reported with enthusiasm on the dividend which this investment has paid to the congregation. The soldiers crowded the Sunday services and enriched the singing. Men of special talent among the soldiers contributed to the musical service and the efforts of the church to provide social entertainment for the men strengthened the sense of fellowship among church members.

The Massachusetts Federation of Churches is planning a special homecoming celebration and come-to-dinner campaign for the soldiers returning from maneuvers in the South. They have asked the assistance of the Federal Security Agency's recreational representative and the USO, as well as the communities, in sponsoring the event.

The Gadsden, Ala., United Church Council for Women obtained the use of the American Legion Amphitheater which seats about 2,000 people, and has showers, clubrooms, kitchen facilities, and a large space for outdoor activities. The mayor agreed to give them the use of the city auditorium adjoining the amphitheater; the city is furnishing the auditorium as a lounge and clubroom for service men.

The National Catholic Center of San Antonio, Tex., for some weeks has been featuring parties for the different posts around San Antonio: Fort Sam Houston Night, Randolph Field Night, Duncan Field Night, and so on through the list of the camps nearby.

Radio committee established

Sidney J. Weinberg, chief of the Bureau of Industry Advisory Committees of the OPM announced November 21 the formation of a radio industry advisory committee.

Members on the committee are:

Benjamin Abrams, Emerson Radio & Phonograph Corporation, 111 Eighth Avenue, New York, N. Y.; W. R. G. Baker, General Electric Co., 1285 Boston Avenue, Bridgeport, Conn.; M. T. Balcon, Hygrade Sylvania Corporation, Emporium, Pa.; W. J. Barkley, Collins Radio Co., 11 West Forty-second Street, New York, N. Y.; A. Bloom, General Instrument Corporation, 829 Newark Avenue, Elizabeth, N. J.; H. C. Bonfig, RCA Manufacturing Co., 201 North Front Street, Camden, N. J.; Roy Burlew, Ken-Rad Tube & Lamp Corporation, Owensboro, Ky.; H. W. Clough, Belden Manufacturing Co., 4647 West Van Buren Street, Chicago, Ill.; Allen DuMont, Allen B. DuMont Laboratories, Passaic, N. J.; P. V. Galvin, Galvin Manufacturing Co., 4545 Augusta Boulevard, Chicago, Ill.; Larry Gubb, Philco Radio & Television Corporation, Tioga & C Streets, Philadelphia, Pa.; K. D. Hamilton, Isolantite, Inc., 43 Cortland Street, Belleville, N. J.; W. P. Hilliard, Bendix Radio Corporation, 920 East Fort Avenue, Baltimore, Md.; H. J. Hoffman, Westinghouse Electric Co., Bloomfield, N. J.; J. J. Kahn, Standard Transformer Corporation, 1500 North Halsted Street, Chicago, Ill.; L. L. Kelsey, Stewart-Warner Corporation, 1826 Diversey Parkway, Chicago, Ill.; R. H. Manson, Stromberg-Carlson Telephone Manufacturing Co., Rochester, N. Y.; Jack M. Marks, Fada Radio & Electric Co., Long Island City, N. Y.; Victor Mucher, Clarostat Manufacturing Co., 285 North 6th Street, Brooklyn, N. Y.; L. F. Muter Co., 1255 South Michigan Avenue, Chicago, Ill.; Harold L. Olsen, Weston Electrical Instrument Corporation, Newark, N. J.; W. F. Satterthwaite, General Dry Batteries, Inc., Cleveland, Ohio; Ernest Searing, International Resistance Co., 401 North Broad Street, Philadelphia, Pa.; S. N. Shure, Shure Brothers, 225 West Huron Street, Chicago, Ill.; Ray Sparrow, P. R. Mallory & Co., Indianapolis, Ind.; R. C. Sprague, Sprague Specialties Co., Beaver Street, North Adams, Mass.; Arthur E. Thiessen, General Radio Co., Cambridge, Mass.; S. T. Thompson, Zenith Radio Corp., 6001 Dickens Avenue, Chicago, Ill., and A. S. Wells, Wells-Gardner Co., 2701 North Kildare Avenue, Chicago, Ill.

President determines need of 1,900 more defense homes

President Roosevelt determined November 22 that a need exists for 1,900 homes for families of industrial defense workers and enlisted personnel in five localities, upon recommendation of Defense Housing Coordinator Palmer.

In addition, the President approved provision of 100 temporary portable cottages in Hartford, Conn.

Permanent homes planned are as follows:

Mobile, Ala., 1410; Banana River, Florida locality, 160; Lakeland, Florida locality, 60; Trinidad, British West Indies, 60; Key West, Fla., 210.

★ ★ ★

1,834 defense homes completed in week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced November 19 that 1,834 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 8, making a total of 51,457 now ready for occupancy.

With 1,500 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 105,292.

Federal funds have already been allotted for 123,379 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,373. Since January 1941 a total of 193,177 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 5,753.

★ ★ ★

SPORTS ARENAS FOR ARMY

Field houses in 37 Army camps covering all nine corps areas will furnish additional indoor recreation for soldiers during winter months, the War Department has announced.

These sports arenas, most of which will be completed by the end of November, will provide facilities for basketball, boxing, wrestling, volleyball, tennis, and badminton, as well as stage shows.

CIVILIAN DEFENSE . . .

OCD will lead Nation's observance of "Bill of Rights Day"—December 15

While Armies are engaged in the death struggle to determine whether the Democratic ideal or totalitarianism ultimately is to rule Europe, Asia, and the Orient, the American people are preparing to observe the 150th Anniversary of the Magna Charta of their liberties—the Bill of Rights.

The Office of Civilian Defense, at the request of Archibald MacLeish, Librarian of Congress, through State and local defense councils throughout the land, and with the collaboration of Government, State, and local agencies, will lead the Nation's observance of December 15—"Bill of Rights Day."

Many organizations will participate

Fraternal, civic, and social organizations of every description, organized labor of every affiliation, schools, libraries, and churches of all denominations will participate in ceremonies observing the anniversary of the document which established the historic freedoms which the American people have enjoyed for a century and a half.

As requested in a joint resolution of the Senate and the House of Representatives, President Roosevelt shortly will issue a proclamation fixing December 15 as the day upon which the whole Nation pays its respects to the source of its liberties.

President Roosevelt will address Nation

On the night of December 15, from 10 to 11 p. m., while local celebrations are in progress in States, towns, and villages across the country, President Roosevelt will address the Nation on the significance of the day which is being commemorated. The President's address will be carried over national hook-ups of all broadcasting systems and subsequently will be rebroadcast by short wave in all languages.

In schools throughout the United States there will be exhibits demonstrating the participation of the school in the observance of the anniversary.

Local demonstrations planned

Local demonstrations are to be under the auspices of the local defense councils and will indicate that the ceremonies in commemoration of the Freedoms guaranteed under the Bill of Rights could be

achieved by the participating agencies only in a free society.

The Library of Congress is preparing a syllabus descriptive of the origin of the Bill of Rights, definitions of the liberties it guarantees and contrasting the position of the American people with those of the occupied countries which once were democracies as well as those in the totalitarian states.

Information committees suggested

Director F. H. LaGuardia of the Office of Civilian Defense has suggested that each local defense council initiate formation of Information Committees, to get the facts about the total defense program; to develop local interpretation of the facts to make them more meaningful; to develop locally, programs and campaigns important to defense, and to provide speakers on defense subjects for local organizations.

Such committees could comprise representatives of the local newspapers, radio stations, theaters, the superintendent of schools, the churches, the Bar Association, the merchants, etc.

MacLeish's comment on Bill of Rights

In his statement requesting the collaboration of the Office of Civilian Defense and local defense councils in the observance, Mr. MacLeish said:

"The precise event signalized by these ceremonies will be the ratification of the Bill of Rights by the State of Virginia, whereby the assent of the necessary three-fourths of the States was secured; and whereby it became a part of the Constitution of the United States.

"The Constitution, written at the Federal Convention in the summer of 1787, did not contain a specific declaration of individual rights. In the opinion of the delegates such a declaration was unnecessary; it would either reaffirm rights already existing, or it would merely prohibit the national Government from interfering with them. Nevertheless, when the draft was submitted for adoption, it was discovered that many shared the view of Mr. Jefferson that 'a bill of rights is what the people are entitled to against every government on earth, general or particular; and what no just government should refuse, or rest on inference.'

Massachusetts, Virginia, New York, and other States ratified the Constitution, but with the recommendation that a Bill of Rights be added. This recommendation was accepted by the First Congress, in the form of 12 proposed amendments, which were passed on September 25, 1789. Of these, 10 were declared ratified on December 15, 1791.

"They relate to (1) the freedom of religion, speech, and the press; (2) the right to establish State militia; (3) the quartering of troops in private houses; (4) the security of persons against unwarrantable searches and seizures; (5) capital crime; (6) criminal prosecutions; (7) trial by jury in common-law cases; (8) bails, fines, and punishments; (9) the relation of constitutional and 'natural' rights; and (10) the powers reserved to the States. They are today 'ingrained in our American natures.' They are worth defending, preserving, and advancing at every cost and by every means.

Local defense councils asked to help

"The anniversary of their adoption is therefore an anniversary well worth celebrating. It is the expectation of the Joint Resolution that the people of the United States will devise appropriate ceremonies for the day, and it is the hope of the Office of Civilian Defense that its local defense councils and their affiliated organizations may prove useful to the communities in the preparation of their plans.

"Time for the renewal of faith"

"The observances themselves, the 'appropriate ceremonies' must come from the American people, they must be of their own making, they must proceed spontaneously from the people's sense of gratitude for the privilege and protection of rights which are at once personal, inalienable, and inalienable. It will be a time for the renewal of faith, faith in the doctrine of human liberty, faith in the principles by which we govern and are governed. It will be a time, too, for remembering—for remembering that in other parts of the world these privileges and these protections are denied, and for remembering that where they are denied neither human liberty nor human decency and self-respect survive their loss. It will be a time finally for pride—pride in our citizenship in a free nation, conceived in freedom and by freedom's strength brought to the foremost greatness of the earth."

Tally of local defense councils reveals 5,935 organized in Nation

A total of 5,935 local defense councils has been organized throughout the United States, it was announced last week by Mayor F. H. LaGuardia, director of the Office of Civilian Defense.

New England area has most councils

The New England area, comprising Region 1 of the Civilian Defense program (coterminous with the First Army Corps Area) leads the Nation in the number of local defense councils organized. This region includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, with a total of 1,238 defense councils. The regional director is Dean James M. Landis of the Harvard Law School, with headquarters in Boston.

Southwest area second

Second in number of defense councils organized is Region 8 (coterminous with Army Corps Area 8) in the Southwest with a total of 1,041 local councils. This region includes Arizona, Colorado, New Mexico, Oklahoma, and Texas. Texas, the largest State in the Union in area, leads the Nation with 890 local defense councils. R. E. Smith of San Antonio is regional director of this area which is on the southern border of the United States (the State of New Mexico was chosen in September for the first State-wide blackout demonstration because it is a border State).

The number of local defense councils organized in each of the nine regions, by States in the region, follows:

Region 1.—Connecticut, 169; Maine, 441; Massachusetts, 351; New Hampshire, 236; Rhode Island, 30; and Vermont, 11. Total, 1,238.

Region 2.—Delaware, 2; New Jersey, 554; and New York, 118. Total, 674.

Region 3.—District of Columbia, 62; Maryland, 5; Pennsylvania, 541; and Virginia, 125. Total, 733.

Region 4.—Alabama, 69; Florida, 81; Georgia, 118; Louisiana, 111; Mississippi, 107; North Carolina, 101; South Carolina, 54; and Tennessee, 18. Total, 659.

Region 5.—Indiana, 88; Kentucky, 65; Ohio, 150; and West Virginia, 303.

Region 6.—Illinois, 148; Michigan, 91; and Wisconsin, 12. Total, 251.

Region 7.—Arkansas, 75; Iowa, 89; Kansas, 21; Minnesota, 102; Missouri, 5; Nebraska, 6; North Dakota, 30; South Dakota, 70; and Wyoming, 24. Total, 422.

Region 8.—Arizona, —; Colorado, 6; New Mexico, 68; Oklahoma, 77; and Texas, 890. Total, 1,041.

Region 9.—California, 229; Idaho, 44; Montana, 56; Nevada, 25; Oregon, 36; Utah, 29; and Washington, 195. Total, 614.

Grand total of local defense councils, 5,935.

LaGuardia urges more

Director LaGuardia said he was gratified at the increase in the number of local defense councils organized since establishment of the Office of Civilian Defense by Executive order on May 20. At that time the number of local defense councils was approximately 1,500.

"Organization of local defense councils is progressing at a gratifying rate," Director LaGuardia said. "But it must move at even a greater rate if we are to be prepared to meet any emergency."

LaGuardia calls for more volunteers in all phases of civilian defense

Director LaGuardia disclosed last week the total number of volunteers enrolled in the various services under the civilian protection program of the Office of Civilian Defense, in each local defense council, as reported by the States. He urged that more people enroll for training in every one of these services.

Calls for more volunteers

"At the present time there are slightly under a million persons enrolled in the various services necessary for the protection of our people if the necessity arises," Director LaGuardia said. "We undoubtedly should suffer the loss of a considerable number of lives in the event of an emergency because of the fact that we have not as yet a greater number enrolled and trained in the services. This is something to be deplored. It is my earnest hope that it will be brought home to the people in those areas in which a

Defense Stamp sales reach peak of \$5,935,934 in October

Sales of Defense Savings Stamps for October reached a total of \$5,935,934.50, establishing the highest monthly total since the stamps were placed on sale last May 1, the Treasury Department announced November 14.

This figure, compared with the \$4,978,000 worth of Defense Stamps sold in September, shows an increase of 19.2 percent. It marks the fourth straight month that the sale of stamps has risen.

Figures for Defense Bond sales for October, which were announced by the Treasury last week, also jumped sharply over September figures with an increase of 16.5 percent.

Sales by months

Defense Savings Stamp sales by months (figures rounded to the nearest thousands)

May.....	\$3,475,000
June.....	2,802,000
July.....	3,288,000
August.....	4,454,000
September.....	4,978,000
October.....	5,936,000
Total.....	24,933,000

greater number have not enrolled and trained, that their participation in every one of these services is vitally necessary.

"It should stimulate the enrollment of men and women to know that the protection of their own families depends upon their participation in this program."

The figures follow:

Air raid wardens.....	214,568
Auxiliary police.....	49,403
Bomb squads.....	654
Auxiliary firemen.....	214,146
Fire watchers.....	4,061
Rescue squads.....	11,461
Medical corps.....	29,356
Drivers corps.....	63,207
Decontamination corps.....	11,391
Nurses' aid corps.....	13,085
Staff corps.....	17,955
Messengers.....	14,780
Demolition and clearance crews.....	35,725
Emergency food and housing corps.....	54,551
Road repair crews.....	19,066

Total.....	753,407
First Aid Certificates issued by the American Red Cross since June first.....	196,101

Grand total of volunteers..... 949,508

4 new Contract Distribution field offices opened; State chairmen, directors named

Opening of four additional field offices to help qualified manufacturers obtain defense work was announced November 19 by the Contract Distribution Division of OPM, bringing to 67 the total number of such offices now operated by the division.

The new offices and their addresses are: *Jackson, Miss.*—610 Tower Building; *Knoville, Tenn.*—202-204 Goode Building; *Phoenix, Ariz.*—406 Security Building; *Wilmington, Del.*—Pennsylvania Railroad Building.

Manufacturers in and around these cities are invited to take or send to the new Contract Distribution Division offices information as to the equipment of their plants and the types of products they now make or have made in the past. Owners of factories qualified to do defense work will be given engineering assistance and directed to the Government procurement offices or present defense contractors who have defense work that they might do.

Organized along State lines

In line with a previous announcement by Floyd B. Odum, director of the division, that the field force would be organized along State lines, the division also disclosed, November 19, the appointments of State advisory committee chairmen and State directors in several parts of the country.

State directors are in charge of opera-

tions within a given State, while the advisory committees consult and advise with them.

In some cases, the newly appointed officials served with the division previously in other capacities.

The appointees, with names of those new to the division in italics, are as follows:

CHAIRMEN OF STATE ADVISORY COMMITTEES.—Avery, Clarence—Detroit, Mich.; Clark, Vernon L.—Des Moines, Iowa; Cothran, Frank H.—Charlotte, N. C.; Creighton, Albert M.—Boston, Mass.; Dyer, Arthur J.—Memphis, Tenn.; Gates, Thomas S.—Philadelphia, Pa.;

Jones, Fred—Oklahoma City, Okla.; Moore, Wiley—Atlanta, Ga.; O'Connell, J. E.—Helena, Mont.; Paterson, A. B.—New Orleans, La.; Petrikin, Wm. L.—Denver, Colo.; Roberts, W. F.—Baltimore, Md.; Seaman, Harold H.—Milwaukee, Wis.; Shepard, Roger—Minneapolis, Minn.; Simons, George W.—Jacksonville, Fla.; Weeks, George B.—Wichita, Kans.

STATE DIRECTORS.—Beese, George—Des Moines, Iowa; Bullitt, Orville—Philadelphia, Pa.; Clarke, Warren H.—Detroit, Mich.; Creighton, G. W.—Baltimore, Md.; Field, Arthur M.—Memphis, Tenn.; Grey, Carl—Hartford, Conn.; Harrison, Morton R.—Oklahoma City; Hartzell, Clyde C.—Denver, Colo.; Hartzell, Harold—Wichita, Kans.; Hoke, Frank—Indianapolis, Ind.; Hickey, Edward V.—Boston, Mass.; Ives, Clifford E.—Milwaukee, Wis.; Judd, R. E.—New Orleans, La.; Kennedy, R. L.—Newark, N. J.; Lund, Alfred M.—Little Rock, Ark.; Mason, Walker—Providence, R. I.; McCubbin, Charles C.—Jacksonville, Fla.; Payson, Herbert Jr.—Portland, Maine; Towle, R. E.—Helena, Mont.; and Walker, Arthur—Omaha, Nebr.

Maritime Commission reports success in "farming out" work to small firms

In connection with the Federal Government's policy of "farming out" defense contracts to aid small manufacturers, the United States Maritime Commission revealed recently that it had in operation a similar policy and is now receiving machinery and equipment for the emergency ship construction program from approximately 450 concerns located in 32 States.

By agreement with prime contractors, the Maritime Commission assures possible subcontractors emergency orders whenever practical, thus expediting the delivery of necessary machinery and equipment.

In utilizing many inland manufacturing plants, congestion in coastal indus-

trial centers has been avoided. Maritime Commission officials credit the "farming out" policy with eliminating "bottlenecks."

Concerns furnishing machinery and equipment for the emergency ship construction program are located in the following States: Alabama, Texas, California, Delaware, Kentucky, Pennsylvania, New York, Illinois, Minnesota, Florida, Ohio, Maine, Louisiana, Indiana, Nebraska, Rhode Island, Georgia, Colorado, West Virginia, Oregon, New Jersey, Connecticut, Virginia, North Carolina, Missouri, Maryland, Washington, Michigan, Wisconsin, Massachusetts, Tennessee, and Iowa.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *Director*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm. H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Florentino H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*, Donald M. Nelson, *Executive Director*, The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF FACTS AND FIGURES: Archibald MacLelsh, *Director*.

OFFICE OF LEND-LEASE ADMINISTRATION: E. R. Stettinius, Jr., *Administrator*.

OFFICE OF PRODUCTION MANAGEMENT: William S. Knudsen, *Director General*, Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich. *General Counsel*, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odum, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. **RESEARCH AND STATISTICS BUREAU:** Stacy May, *Chief*.

BUREAU OF INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

DECEMBER 2, 1941

VOLUME 2, NUMBER 48

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9-----	1,588,500
Navy and Marine Corps, Nov. 1--	375,914
Nonagricultural workers, Oct.---	*40,749,000
Percent increase since June 1940	14
18 defense industries, Oct.-----	2,700,000
Percent increase since June 1940	69

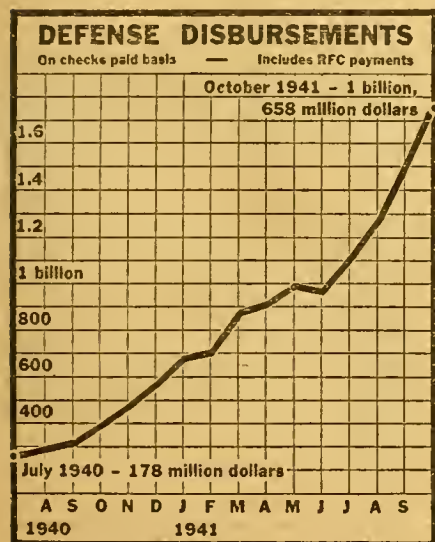
FINANCE

June 1940 to latest reporting date	(In millions of dollars)
Authorized program Oct. 31-----	*63,962
Contract awards Oct. 15-----	*39,263
Total disbursement Sept. 30-----	10,745

PRODUCTION

Paid on contracts, June 1940--	
September 30, 1941-----	\$8,464,000,000
Combat vessels in October--	*6
Merchant ships, October-----	*10
Week ended November 22	Strikes Workers
Significant defense strikes in	
progress during week-----	10 6,900
Number settled-----	6 2,100

*Preliminary.



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Review of the Week in Defense

Americans learned last week that they will contribute metals to their defense program by receiving fewer new vacuum cleaners. The Priorities Division of the Office of Production Management, following up curtailment orders on production of automobiles, refrigerators, and domestic washers and ironers, directed large manufacturers of vacuum cleaners to cut their October-through-December output a tenth below the rate of factory sales in the year ended last June 30.

Foil order suspended

Another action which may have results apparent to the public was the suspension of an order which would have banished leadfoil and tinfoil from the wrappers of cigarets, candy, chewing gum, and other civilian products after March 15. The order will be studied intensively to determine whether it shall be revoked, revised, or issued in its present form.

Meanwhile, it developed that the Southeast will have a bright Christmas after all. Further heavy rains to replenish reservoirs, and good use of the interconnected lines which feed electric current into the area of shortage, made it possible for OPM to announce that the black-out of show windows, theaters, hotels, tourist homes, and streets would be relaxed by December 15. Also, the 30-percent curtailment plan prepared for certain large consumers was indefinitely postponed.

Chromium earmarked for defense

The Priorities Division on November 27 took under its charge all deliveries of chromium, and earmarked for defense all high chromium content alloy steel produced after December 1. Within the week the Division extended the effective periods of orders dealing with calcium-silicon; cutting tools and materials for them; pig iron, steel, steel warehouses, and special kinds of iron and steel. At the same time, control of titanium pigments was postponed from December 1 to January 1.

Institutions for the blind were given a preference rating on scarce materials they must have if blind persons are to keep up productive work.

Lend-Lease passes billion mark

Results of 8 months' Lend-Lease effort were reported by OEM's Office of Lend-Lease Administration, which stated that "total Lend-Lease aid has passed the billion dollar mark." The administrator added that since the beginning of the war our exports to the British, including Lend-Lease aid, have amounted to approximately 5¼ billion dollars. Most of this constituted deliveries on orders financed by the British.

The OPM Contract Distribution Division also counted its gains, listing contracts to a total of \$31,577,090 awarded by the Army and Navy for relief of plants hard hit by the scarcity of materials. Muskegon, Mich., was certified for similar treatment. Director Odum appointed Alex Taub to engineer the conversion of factories all over the Nation to defense production.

OPM announced that 3,500 tons of scrap steel in the fallen Tacoma Narrows Bridge would be rescued from Puget Sound for defense.

Deputies to help welders' settlement

OPM Associate Director General Hillman sent two deputies to the West Coast to help apply the pledge of nine American Federation of Labor unions that a welder need carry only one union card in transferring from job to job. The Labor Division issued an illustrated pamphlet to tell how working conditions have been stabilized throughout the shipbuilding industry.

For the second time since its creation, the National Defense Mediation Board passed a week without a strike on its calendar. The Board received the report of a special investigator in the Aluminum Co. of America case, announced agreement to arbitrate in the case of the Waterfront Employers' Association of Seattle, and received certification of two new disputes.

The Office of Price Administration brought down sharply the prices of defense-important used steel drums, which had been selling higher than new containers.

Stabilizing wood and paper prices

OPA spread its activities broadly throughout the lumber, wood products, pulp and paper industries to steady prices. Wood pulp producers agreed there would be no change in prices for the first quarter of 1942. More than 100 wholesalers of paper products indicated their consent to sharp reductions in jobbers' mark-ups on kraft. Manufacturers of over half the Nation's writing, book and printing paper, exclusive of newsprint, reported they did not expect to raise their prices in the near future. Two more dealers in wastepaper signed stipulations for refund of all charges in excess of the ceiling prices. OPA amended its paperboard schedule to let importers add duty to the delivered price regardless of the ceiling.

Prices for doors, doorframes, sash, window frames and screens made of Western pine were stabilized for the time being by agreement. A ceiling was placed on manufacturers' prices for Douglas fir doors, which represent about 60 percent of all doors made in the United States. Ceiling prices covering all lumber from southern hardwoods are to be discussed at a meeting in New Orleans, December 5. OPA suspended, however, its plans to set maximum prices on wooden household furniture. Since the announcement that a ceiling was being prepared, the upward trend has leveled off.

Scrap buying facilitated

OPA also amended its price schedule to encourage the flow of iron and steel scrap into California steel mills and foundries; amended two carded cotton goods ceilings to tie contracts made before July 21, 1941, to 15.99-cent "spot" raw cotton; achieved agreements stabilizing prices of the dry colors used in paints, printing inks, lacquers, enamels and plastics; and considered a ceiling on hide glue.

Under the auspices of the Office of Civilian Defense, representatives of 17 women's organizations discussed acceptance of an invitation to visit England and see Britain's feminine defense workers at their jobs.

DEFENSE

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Lend-Lease Aid has passed billion, administrator reports

The following summary of Lend-Lease Aid was issued November 24 by Edward R. Stettinius, Jr., Lend-Lease Administrator:

1. Total Lend-Lease Aid has passed the billion-dollar mark.

2. At the end of October the amount of aid was approximately 919 million dollars. Increases since then have brought the figure to more than a billion dollars.

225 million in October

3. The steady increase in Lend-Lease Aid is shown by the following monthly amounts (in millions of dollars):

March, 18; April, 40; May, 60; June, 85; July, 134; August 150; September, 207; October, 225. Total to October 31, 1941, 919.

4. Actual contracts have been let for more than 75 percent of the first seven billion dollar Lend-Lease Bill and 100 percent of the funds therein have been allocated.

5. The new 6-billion dollar appropriation is being allocated rapidly.

Exports to Britain, 5¼ billion

6. Since the beginning of the war, our exports to the British, including Lend-Lease Aid, have amounted to approximately 5¼ billion dollars, most of which was financed by the British with their own dollars. In October, exports to the British were the largest of any month since the war began.

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Leadfoil and tinfoil ban suspended for further study

Priorities Director Nelson announced November 28 that the lead foil and tinfoil order issued November 24 had been suspended for 30 days.

During the period of its suspension an investigation will be made to get all of the facts upon which the order was based, that a final decision may be reached as to whether the order should be revoked, modified, or put into effect unchanged.

The order would have placed immediate restrictions on the use of lead and tin in the manufacture of lead foil and tinfoil, and would have prohibited the manufacture and sale of tinfoil and lead foil after January 15. It would also have prohibited the use of tinfoil and lead foil after March 15.

Big vacuum cleaner factories' output cut to 90 percent of July 1940-June 1941 level

A 10 percent cut in production by large manufacturers of vacuum cleaners for household use was ordered November 27 by Priorities Director Nelson.

The reduction is based on average monthly factory sales for the 12 months ended June 30, 1941, and covers the period from October 1 to December 31, 1941.

Designed to conserve steel and other critical materials for national defense, the program follows the pattern of curtailment of production of domestic mechanical refrigerators and washing and ironing machines.

Curtailment relatively small

Curtailment of the vacuum cleaner industry is relatively small compared to cuts ordered for other consumers' durable goods industries. Vacuum cleaners require only small amounts of raw materials. The industry has a high ratio of employment compared with the amount of material consumed.

Total steel consumption by the industry in 1940 was less than 10,000 tons, while factory employees numbered approximately 8,500. The comparative factory employment figures per 1,000 tons of annual steel consumption are approximately 850 in the vacuum cleaner industry, as against 100 in the domestic mechanical refrigerator industry and 140 in the washing machine industry.

19 companies affected

Nineteen companies reported to the Division of Civilian Supply that they will be affected by the curtailment. Some transfers of facilities to defense production have been accomplished. Equipment used in general by the industry, however, requires modifications before it can be made adaptable to defense work. Any labor displacement resulting from the curtailment will have the attention of OPM's Labor Division, which undertakes programs for retraining workers for defense jobs.

The industry already has made substantial advances in substituting for critical materials. It has practically eliminated aluminum in present models. This is expected to result in savings of more than 3,000 tons of aluminum a year.

Large manufacturers, those whose average monthly sales are from 5,200

units up, are required to cut production during the period October 1 to December 31 by 10 percent below average monthly factory sales for the year ended June 30. Or they may instead produce 15,600 units during the period, whichever would result in greater output.

Small manufacturers' cut less

Manufacturers whose average monthly sales are less than 5,200 units are restricted to an output of 100 percent of average monthly factory sales in the year ended June 30. Extremely high levels of production have been reached by the industry in recent months, and the current rate is more than 120 percent of 1940.

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Hillman sends deputies to work out welders' solution

Associate Director General Sidney Hillman announced November 28 that he was sending two special deputies to the West Coast this week to work out settlements of welders' grievances. They are Comdr. G. M. Keller, U. S. Naval Reserve, who has been loaned by the Navy Department to the OPM Labor Division for this duty, and Paul Porter of the Labor Division staff.

They were to hold conferences with shipbuilding employers and AFL Metal Trades union leaders on the working out of the pledge of nine AFL Metal Trades International Unions for a one-card transfer system on welding jobs and for the elimination of excessive fees.

Mr. Hillman said that he had been informed that threatened strikes of welders in West Coast cities had been deferred.

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TITANIUM ORDER POSTPONED TO JANUARY 1

The effective date of General Preference Order M-44, relating to the distribution of titanium pigments, has been changed from December 1, 1941, to January 1, 1942, it was announced November 26 by the Division of Priorities. The change was made to provide more time for the preparation of forms to be used under the order.

PRIORITIES . . .

Nation's stock of chromium, production of chrome steel earmarked for defense

Two orders sharply limiting the use of chromium and chrome steel were announced November 27 by the Director of Priorities.

The first, M-18-a, places in the hands of the Director of Priorities direction of all deliveries of chromium. The second, an amendment to M-21-a, prohibits the manufacture and delivery of alloy iron or steel containing 4 percent or more chromium except on A-10 or higher preference ratings.

Effect of the two orders will be to retain for defense manufacture all the high chromium content alloy steel produced after December 1, 1941, and to earmark for defense the Nation's stock of chromium.

A-10 or higher rating required

Main provisions of the amendment to M-21-a are:

1. Except under a specific rating of A-10 or higher, or specific permission of the Director of Priorities, no producer shall process beyond ingot, bloom, billet, sheet, bar or slab, or after December 1, 1941, deliver, any alloy iron or alloy steel containing 4 percent or more chromium.

2. The Director of Priorities may issue directions allowing for forbidding specific deliveries of chrome alloy steel.

3. The Director of Priorities may issue other specifications in regard to chrome steel, or on any other alloy of steel.

Priorities director controls deliveries

Main provisions of M-18-a are:

1. Full control of deliveries of chromium is lodged in the Director of Priorities and monthly requests for chromium must be made to producers.

2. The aggregate chromium oxide content of chemicals is limited in each month to one-twelfth the amount of ore used in chemicals actually delivered in the 12 months ending June 30, 1941.

3. The order revokes Order M-18, issued July 7, 1941, and amended August 22. It becomes effective November 29, 1941.

Over 90 percent of chromium is imported

Chromium has three general uses, the manufacture of stainless and hardened steel; as a refractory in the manufacture of steel, and in the chemical industry for tanning leather and as a dye pigment.

Approximately 55 percent of our total chromium supply in 1941 was used for alloying steel, with refractory use second in volume. More than 70 percent of

metallic chromium currently is being used for defense and essential civilian purposes.

While domestic production of chromium has increased greatly since the start of the defense program, more than 90 percent of all our chromium must be imported, largely from Africa, the Philippines and Turkey.

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Institutions for blind granted A-8 rating for scarce materials

In order that the useful, productive work performed by many blind persons may not be curtailed as a result of the metals shortages, the Priorities Division issued November 29 a limited blanket rating order to institutions for the blind.

The order, effective immediately, assigns a preference rating of A-8 to contracts for approved quantities of specified materials. The wire and other hardware necessary to complete many of the economically valuable products of blind workers have become increasingly difficult to secure in adequate quantities, and it is expected that the order will assure deliveries of scarce materials to the establishments covered by it.

Government is largest customer

The Federal Government is probably the largest customer for goods produced by the blind, its purchases in certain lines being confined to articles turned out by these skilled but handicapped persons.

Institutions wishing to qualify for assistance under the new order are required to furnish information of their needs on Form PD-166. Authorization for the application of the rating will then be given for a 3-months' period.

The priority aid provided by the order may be extended by an institution to its suppliers.

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MORE PRIORITY NEWS

appears on pages 3,
23, 24 and 25

Calcium-silicon order extended; conforms to Regulation No. 1

The General Preference Order controlling production and distribution of calcium-silicon, which was due to expire November 30, was revised and extended to May 31, 1942, by the Director of Priorities November 29. Calcium-silicon is a material used in making certain types of alloy steel.

All calcium-silicon has been subject to direct allocation by the Director of Priorities since July 29, 1941, under the terms of General Preference Order M-20. General Preference Order M-20-a, issued November 29, continues the allocation procedure without substantial change, but brings the form of the order into conformity with Priorities Regulation No. 1.

Uses large quantities of power

Production of calcium-silicon can be expanded as required, but takes very large quantities of electric power. For that reason, its use is restricted to defense orders and essential civilian requirements.

All users of calcium-silicon must file monthly reports of types and quantities of steel to be melted in the succeeding month, amounts of calcium-silicon to be used, ultimate consumption of the steel, preference ratings of orders to be filled, and inventory on hand.

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Mine machinery order extended to December 31

Donald M. Nelson, Director of Priorities, has dispatched the following telegram to the companies which have been operating under Preference Rating Order P-23:

"Preference Rating Order P-23 issued to your company is extended to and including December 31, 1941. You must furnish a copy of this telegram to each of your suppliers."

Extends preference rating of A-3

This order extends a preference rating of A-3 to delivery of material entering, directly or indirectly, into the production of mining machinery and equipment to fill defense orders. The preference rating is applicable only to deliveries of materials included in the Priorities Critical List.

MATERIALS . . .

30 percent power cut put off indefinitely in South; black-out to be relaxed December 15

Following an all-day meeting in Atlanta with representatives of the major public and private utility systems in the Southwest, the OPM power branch staff announced November 26 indefinite postponement of the pending 30 percent power curtailment of large commercial and industrial consumers in six South-eastern States and definite assurance of relaxation, beginning December 15 at the latest, of the black-out restrictions now in effect.

3 provisions must stay in effect

The following provisions of the OPM power limitation order must however, be continued in full force and effect:

1. Freezing of consumption at September levels of large commercial and industrial consumers in Georgia, Alabama, Tennessee, eastern Mississippi, Southeast South Carolina, and Northwest Florida.

2. Power pooling arrangements for maximum deliveries of power into the shortage area.

3. Strict compliance with blackout restrictions until December 15 or such earlier date as may be announced later.

Precise arrangements for the relaxation of the black-out will be announced later.

Heavy rain is biggest relief

Relief from the power curtailment program was made possible by several favorable developments. Most effective was a heavy rain over the region last week-end which yielded approximately 119,000,000 kilowatt-hours of power.

The power pooling arrangement is now bringing into the shortage area more than 40,000,000 kilowatt-hours a week. This is nearly 13,000,000 more than the highest amount brought in prior to the pooling provisions made mandatory under the OPM order.

Increased fuel generation has accounted for an additional 2,100,000 kilowatt-hours a week.

Concurrently with the increase in the region's power supply by rains and improved power pooling, power consumption was reduced by more than 11,000,000 kilowatt-hours a week through the black-out, voluntary curtailment, and freezing consumption of large consum-

ers. Consumption last week was 11,600,000 kilowatt-hours less than it was the week ending October 25, the last week before the OPM order was issued.

Real saving of 17,500,000 kw.-hrs. indicated

Actual savings were even greater, because normally power loads in November are substantially greater than during late October. Utility systems in the area had estimated that in the absence of power restriction, consumption for the week ending November 22 would have been 252,000,000 kilowatt-hours. But with the restrictions in effect, consumption last week was only 234,500,000 kilowatt-hours, indicating a real total saving of 17,500,000 kilowatt-hours.

Just before the OPM power limitation order was issued, the shortage area was operating at a weekly deficit of 82,500,000 kilowatt-hours, all of which had to be taken from already depleted reservoirs. Had that rate of deficit operation been permitted to continue, the reser-

voirs would have been virtually dry by November 24, resulting in complete breakdown of power supply.

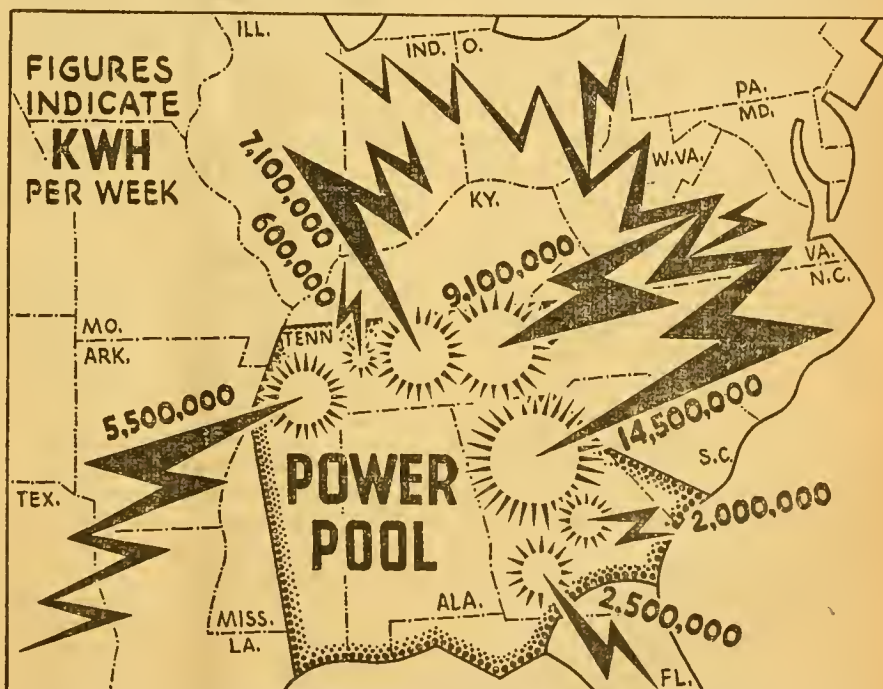
During the past 3 weeks, the weekly deficit has been cut from 82,500,000 kilowatt-hours to 31,000,000.

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Power output up 200 percent 1920-40, FPC report shows

The Federal Power Commission announced recently its publication of a new 163-page report entitled "Electric Power Statistics, 1920-40," which presents for the first time for each State the complete series of data from 1920 to 1940 on production of electric energy, capacity of generating plants, and consumption of fuel for the production of electric energy. Production and capacity data are given by class of ownership and type of prime mover for each State and each year.

The rapid expansion of the electric utility industry in the United States may be illustrated by comparing the 144,984,565,000 kilowatt-hours of electric energy produced in 1940 with a total production of 43,334,282,000 kilowatt-hours in 1920, an increase of more than 200 percent.



POWER FOR DEFENSE . . . Surplus electric power from 13 States, forming almost a solid block from Pennsylvania to Florida, and from Illinois to Texas, is flowing into the Southeast, where a power shortage has existed because of drought and heavy defense loads. The lightning bolts in the drawing are thickened as they move toward the area to indicate that power is picked up all along the line; the figures show the kilowatt-hours of power each line brings in each week. The pooling arrangement was carried out by an order of OPM.

MEDIATION BOARD . . .

Best work has been in keeping men on job pending settlement—Davis

The National Defense Mediation Board has settled 78 of the 108 industrial disputes certified for its action, but the important success has been in keeping men on the job pending settlement, Chairman Davis said in an OEM Defense Report on the "Voice of Firestone" program, December 1. Excerpts from his remarks scheduled for the program follow:

Q. Let me see if I have this right, Mr. Davis. As I understand, the National Defense Mediation Board acts as a sort of go-between, smoothing out difficulties that arise between employers and labor in the defense industries, is that right?

A. I think that about expresses it. When a dispute arises, our job is to get the parties together—the worker and the employer—and let them talk things over.

Aim is to avoid strikes

Q. And settle the strike?

A. If there is one. But more important than that—much more important—our aim is to avoid strikes. That was the main reason for the establishment of our Board—the theory that if labor and management were given a place to go where they would have a fair hearing of their disputes, they would submit to impartial and friendly mediation rather than resort to a test of economic strength on the picket line.

Q. In other words, the idea was not to wait for name-calling and rocks to begin to fly.

A. That's it. You might recall the situation that existed when our Board was organized last March.

Q. It was serious, as I recall.

A. Dangerously so. The Allis-Chalmers strike—which incidentally lost 3 million man-hours before it ran its course—had slowed up destroyer production in spite of the efforts of the highest Government officials to settle it. The huge Ford plant at River Rouge was closed. At Bethlehem Steel's Lackawanna works rocks were really flying. Add to that a total of 14,000 men out at four plants of the International Harvester Co., with millions of dollars' worth of truck and tractor contracts for the Army tied up and a dozen smaller strikes going on all over the country—and you begin to realize what we were faced with.

Q. I remember. Wasn't there some

talk of the need for the Government cracking down on both sides?

Don't "hit them over the head"

A. Yes, there was a rising demand for drastic action. But we took a different view—I think a more sensible view of the problem. It was as if you had hired two men to row you across a river in the face of a coming storm and they stopped rowing to argue. One side might be right or the other might be right, but meanwhile, the boat is likely to sink. In that case you wouldn't hit them over the head with the oars, you would try to have them postpone their argument until you reached the shore.

Q. It sounds sensible. The point is, Mr. Davis, does it work out in practice?

A. Strangely enough—or perhaps it isn't so strange—it does work. We have a saying in the Mediation Board that men cannot disagree about a fact—they can only be ignorant about it. If you have the patience to bring out the facts and enough confidence in the fundamental horse-sense of both labor and management, it is surprising the number of disputes and misunderstandings that vanish into thin air.

Quick results in first cases

Q. I see. But do these strikes go on while the Board is patiently delving for the facts?

A. No. Let me give you an example. On March 27 last, the Board received its first four cases. Less than 4 days later, the 17,000 striking employees were returning to defense work. That was the Board's first experience in the role of mediator.

Q. Let me see—you mentioned International Harvester, among others. Was that one of those first four cases?

A. Yes.

Q. How did you get them back to work in that case, Mr. Davis?

A. The men voted to go back to work on the mere guarantee that they would not be discriminated against and that the Board would give them a fair hearing on all the issues.

Q. That seems fair enough all around. Didn't you mention the Allis-Chalmers strike a moment ago, Mr. Davis?

A. Yes.

Q. What happened in that case?

A. Well, I believe that was a real test in the minds of the public. The Mediation Board was still a new idea. The men had been on strike for 75 days. Within 48 hours after representatives of the company and the union had entered the Mediation Board hearing room, tempers had cooled off and a compromise settlement worked out and signed. I think the public began to realize then that we were on the right track. And—more important—labor and management both began to gain confidence in the fairness of the Board and in its ability to settle disputes.

78 of 108 settled

Q. How many cases has the Board had, Mr. Davis?

A. To date, 108 cases have been certified to our Board. They involved over a million workers.

Q. When you say "certified to the Board," Mr. Davis, what does that mean?

A. Disputes reach us only after certification by the Secretary of Labor.

Q. Which means that each case must really threaten the national defense?

A. Yes. And we get only those where every other means of settlement has failed.

Q. Tell me, Mr. Davis—of those 108 industrial disputes, what proportion have been settled by the Board?

A. Seventy-eight have been settled finally. The others are still pending. But those workers are not on strike. They are on their jobs awaiting settlement of their grievances.

Q. Meanwhile giving both sides a chance to think it over. I begin to see what you mean by the "cooling off process."

Let the people decide by the facts

Q. Does the Board have any authority to compel labor or management to accept settlements?

A. None whatsoever.

Q. Do you mean you have no power to make them come to terms?

A. The only power granted the Board by Executive order was the power in case mediation fails to go on and make findings of fact and issue recommendations which would be made public. The public is entitled to know the truth in these disputes that affect public safety and national defense. We find the facts and let the American people decide for themselves. That is the surest and most effective weapon anyone can possess in a democracy.

356,116 defense workers on the job pending settlement in 31 cases

With the return to work of the men in the captive coal mines, the National Defense Mediation Board last week (November 24-30) had, for the second time since its creation, a calendar completely free of strikes. There are 31 cases pending before the Board, involving 356,116 men, all of whom are at work on defense jobs awaiting settlement of their disputes.

The Board also last week received the report of a special investigator in one case; announced that arbitration had been agreed to in a second case, and received certification of two new cases.

Aluminum Co. of America

Five plants of the Aluminum Co. of America, located at New Kensington, Pa.; Edgewater, N. J.; Detroit, Mich.; Badin, N. C.; and Alcoa, Tenn., are involved in the dispute between the company and the Aluminum Workers of America, CIO. A panel composed of William H. Davis, Cyrus Ching, and James B. Carey had held hearings for several days last August, and since agreement could not be reached at that time, interim findings and recommendations were issued. These provided for the appointment of a special representative to investigate the issues in dispute—the union's demand that the wage differential between the northern and southern plants of the company be abolished, and that the afternoon and night shift workers at the New Kensington plant be granted a 10-cent per hour bonus. The Board appointed Paul R. Hays of the New York State Board of Mediation as its representative, and on November 25, Mr. Hays appeared before Mr. Davis, chairman of the panel, to make his report. Also present at the meeting last week were M. M. Anderson, personnel director of the company, and Nicholas Zonarich, international president of the union.

The report, which was not made public, was given to both the company and the union with the suggestion that they try to reach an agreement by direct negotiations on the basis of the report. If this fails, the Board will then consider what steps will be taken.

Waterfront Employers Association

On November 24, hearings before a panel of Francis W. H. Adams, Cyrus Ching, and George Googe opened in the dispute between the Waterfront Employers Association of Washington and the International Longshoremen's Association, AFL. A threatened strike of

1,065 men over wages and the negotiation of a new agreement had been postponed at the request of the Board before the parties came in for hearings. After 2 days, an interim agreement was reached for the completion of contract negotiations, which will incorporate all provisions except those dealing with wages. On this question, both parties agreed to submit to the Board "for determination and settlement, the initial basic wage rates and salaries to be incorporated in such agreements, with the understanding that:

"(a) The Board shall direct a survey of the industry involved and such additional hearings as it considers necessary,

"(b) Pending determination of wages by the Board, there shall be no strikes or work stoppages or lockouts."

The necessary data on wage rates and salaries for the Board's arbitration procedure are to be gathered by a special representative to be appointed by the Board.

Cleveland Graphite Bronze

Disagreement over one clause of the agreement between the Cleveland Graphite Bronze Co., Cleveland, Ohio, and the Mechanics Educational Society of America, independent union, brought in both parties before the Board. The agreement which had been reached on October 16 after 2 days of hearings by Frank Graham, Rolland Hamilton, and George Googe was ratified by the union in Cleveland a few days later. However, a dispute had arisen over the interpretation of a clause in the contract regarding minimum rates for learners and probationary employees. Both parties asked the Board's aid in settling the dispute. After a 1-day hearing on November 27, it was agreed that written statements of their positions would be submitted by the company and the union to the panel for appropriate action.

The company employs 2,500 men and produces bearings for aircraft engine concerns and supplies other engine manufacturing plants making tank engines, tractors and autos.

New cases

The two new cases certified to the Board last week involved the Burgess Battery Co. of Freeport, Ill., and the International Association of Machinists, AFL; Nevada Consolidated Copper Corporation, Santa Rita and Hurley, N. Mex., and the Metal Trades Council, AFL.

Cutting-tool and welding orders extended into 1942

Orders relating to cutting tools, materials entering into their production, and materials entering into the production of arc-welding and resistance-welding machines were extended on November 29 by the Division of Priorities.

Supplementary Order No. E-2-a, which directs the distribution of certain cutting tools, was extended to February 28, 1942, as was Preference Rating Order No. P-18-a, which assigned a preference rating of A-1-a to deliveries of materials entering directly or indirectly into the production of specified cutting tools. Both of these orders were amended to include metal cutting shear knives and metal cutting circular saws in addition to those previously enumerated.

Preference Rating Order No. P-39 which assigned a preference rating of A-1-c to delivery of materials to be physically incorporated into, or necessary to the production of, arc-welding and resistance-welding equipment, including electrodes, was extended to March 15, 1942.

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15 percent of December lead to be set aside for pool

Every refiner of lead will be required to set aside 15 percent of his December production for allocation by the Director of Priorities, it was announced November 29.

The percentage to be set aside in December is the same as that announced for November, and is expected to amount to from 6,000 to 6,500 tons.

Metal not allocated out of the pool will be added to the Government stock pile.

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Zinc pool for December is 29 percent of August output

Zinc pool requirements for December were announced November 29 by the Division of Priorities.

Producers of metallic zinc are required to set aside 29 percent of the amount they produced in August for the December pool. This is a reduction of 2 percent from the November requirement and will result in a supply, available for allocation, of 21,700 short tons.

Producers need not set aside any zinc oxide or zinc dust during December.

PRICE ADMINISTRATION . . .

Used steel drums, higher-priced than new, cut to \$2.25 for 50-to-55 gallon type

Prices of second-hand steel drums, which have risen to exorbitant levels since the beginning of 1941, will be brought down sharply in a schedule of ceiling prices announced November 25 by OPA Administrator Henderson.

As compared with a price of \$2.72 each for new containers, reconditioned standard steel drums of 55-gallon capacity have been selling in Eastern markets at from \$3.50 to \$4.50. The OPA schedule, effective December 1, 1941, sets a maximum delivered price of \$2.25 each for used containers of this type.

Example of inflationary spiral

"Price action of used steel drums in recent months has added to our experience one more excellent example of how an inflationary spiral develops," Mr. Henderson stated. "Second-hand drums are a very important item in many industries. They afford to manufacturers of such materials as chemicals, petroleum products, paints, varnishes, lard and shortening a cheaper form of container and, hence, are a real factor in the prices of numerous finished products.

"Supplies of new steel drums now have become seriously curtailed as a result of the unusual requirements of our defense program. This shortage in turn has created heavy demand for used drums and prices have gotten out of hand. No. 1 reconditioned drums that sold around \$1.75 each in Eastern markets 10 months ago have gone up to \$3.50 and \$4.50, or from 30 percent to 60 percent above the current prices of new drums. As usual, speculation and hoarding have accompanied this rise, exerting pressure for still higher prices.

"In the case of certain cheaper grades of petroleum products, the cost of the container has become greater than the value of the product it contains."

\$2.25 within 50-mile radius

The OPA schedule fixes a maximum delivered price for reconditioned steel barrels or drums, size 50 to 55 gallons, 18-gauge, of \$2.25 each, within a radius of 50 miles from the reconditioning plant. For each 75 miles or fraction thereof in excess of this 50-mile radius, there may be added all actual transportation charges or 10 cents a barrel, whichever

is less. In the States of California, Washington, and Oregon, according to the schedule, a further 50 cents per unit may be added to the foregoing maximum charges. This recognizes a premium that has prevailed traditionally on the West Coast. These ceiling prices may be increased by another 25 cents per unit in cases where the reconditioned drums have been lacquer-relined and baked.

A top price of \$1.60 per unit delivered is set for 18-gage 50- to 55-gallon drums in a "raw," or uncleaned or unreconditioned state. In the three West Coast States this maximum is raised to \$2 each.

Maximum price that may be charged when a user buys a second-hand standard 50- to 55-gallon drum directly from the person who empties the drum is set at \$1.25 f. o. b. the "emptying point."

This price may be \$1.65 in the West Coast States.

While more than 90 percent of used drums are of 55-gallon capacity, the entire range goes from 15 gallons to 110 gallons, light- or heavy-gage steel. To cover these other sizes, the schedule stipulates that maximum delivered prices shall not exceed 80 percent of the base price of new, black, hot-rolled steel barrels or drums of the same type and size, when delivered in carload lots. The same transportation premium that applies to 50- to 55-gallon containers is provided for all other sizes.

"Raw" drums of sizes other than 50- to 55-gallon, 18-gage, shall not sell for more than 65 cents less than the maximum prices set for reconditioned drums of the same size and type, according to the schedule.

Every person buying or selling used steel barrels or drums is required to keep detailed records for inspection by OPA and to submit such reports as OPA may require from time to time.

Approved prices for rolled zinc sheets, strip and plates listed by OPA

A list of maximum prices for rolled zinc sheets, strip and plates, which the Office of Price Administration has prepared in the light of the recent 1¢ a pound increase in the price of slab zinc, was made public November 29 by Administrator Henderson.

Rolled zinc is important in defense. Sheets are used as lining for powder and cartridge boxes; strip goes into battery shells and cartridge fuses; while plates are used to protect the insides of ship boilers and the hulls of ships from corrosion.

Approved base prices listed

The approved maximum base prices are as follows:

Sheet zinc—13.15 cents per pound, f. o. b. mill; carloads (36,000 lbs.) and over, 7 percent discount.

Ribbon or strip zinc—12.25 cents per pound, f. o. b. mill; 3,000 pound lots, 1 percent discount; 6,000 pound lots, 2 percent discount; 9,000 pound lots, 3 percent discount; 18,000 pound lots, 4 percent discount; carload lots, 7 percent discount.

Zinc plates—Small (not over 12 in.): Lots of 1,000 pounds and over, 11 cents per pound, f. o. b. mill; lots of less than 1,000 pounds, 12 cents per pound, f. o. b. mill.

Large (over 12 in.): Lots of 1,000 pounds and over, 12 cents per pound, f. o. b. mill; lots of less than 1,000 pounds, 13 cents per pound, f. o. b. mill.

Zinc engravers' plates—Raw: Carloads (36,000 lbs.) and over—7 percent discount, 14.25 cents per pound, f. o. b. mill. Finished, 21.25 cents per pound, delivered.

Zinc lithographers' plates—15 cents per pound, f. o. b. mill. Carloads (36,000 lbs.) and over—7 percent discount.

Customary differentials observed

The new prices take into consideration the customary differentials between primary zinc and the various rolled zinc products, as well as the increased volume of production in the industry, generally.

They allow a differential of 4.9 above the price of Prime Western zinc for sheet and 4 cents for strip. The differential between strip and sheet prices was formerly ½ cent, but since September 1939, the differential has been 1 cent and 1½ cents. However, the 0.9 cent differential allowed in the approved prices is believed to represent more closely the actual differential in costs of production.

Large producers of dry colors to observe October 1 price level

Individual agreements stabilizing prices of organic and inorganic dry colors at the levels of October 1, 1941, have been reached with all of the large producers, OPA Administrator Henderson announced November 25.

Paints, printing inks, lacquers, enamels, and plastics all derive their thousands of colors, tints, and shades from dry colors. Since supplies from Germany have been cut off, South America has become an important customer for dry colors produced in the United States.

The agreements, which extend to January 1, 1942, provide for prices no higher than those quoted in the price lists of a majority of the producers as of October 1, 1941.

The sole exception is "peacock blue" which will be sold by each manufacturer at his October 1 price. Certain producers whose prices have been somewhat above the general October 1 level will reduce their quotations to that base. It is expected that similar agreements with smaller manufacturers will be arranged.

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Burlap situation discussed at meeting

All phases of the burlap situation were discussed November 26 at a meeting between representatives of the Office of Price Administration, the Department of Agriculture, the Office of Production Management, and the burlap importing and bag manufacturing industry committee of OPM.

Matters discussed included the availability of cargo space for burlap, outlook for stabilization of prices in Calcutta, and the contemplated burlap allocation order.

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Radio program answers queries on how to aid defense

The what? why? and where? questions of national defense are being answered in the radio program called "Democracy Begins at Home," heard every Sunday morning over WRC, from 10:45 to 11:00 a. m.

Mary Mason, director of women's activities at NBC, answers all questions sent in by her listening audience on the various phases of national defense, and what the individual can do to help.

Price schedule changed to accelerate flow of scrap to California steel mills

Direct steps to enable California's steel mills and foundries to tap supplies of iron and steel scrap from every part of that State and to make it possible for steel plants to reach into Oregon for additional supplies were announced November 25 by OPA Administrator Henderson.

The OPA action takes the form of an amendment to Price Schedule No. 4—Iron and Steel Scrap—which also contains some minor revisions with respect to low phosphorous scrap and machine shop turnings. The latest amendment, together with all amendments made since August 8, 1941, are incorporated in a revised schedule now being printed. Text of the revised schedule was published in the Federal Register of November 25 and copies will be available at OPA in the near future.

Measures to stimulate scrap flow

Measures designed to stimulate the flow of scrap to steel mills and foundries in and near San Francisco and Los Angeles may be summarized as follows:

1. Maximum basing point prices at San Francisco and Los Angeles are increased by \$2.50 per gross ton with respect to grades of scrap usually used in open hearth furnaces. This change does not affect the grades of scrap used by foundries for casting purposes.

2. A shipping point price of \$12 a gross ton for No. 2 heavy melting steel scrap may be paid in the State of California wherever the present maximum is below that figure. Existing grade differentials applying to San Francisco and Los Angeles basing points scale upward and downward from this level with respect to all other grades of scrap either for open hearth furnaces or foundries. This enables steel mills and foundries within the State to pay at least \$12 a gross ton at the point where the scrap originates and to absorb all actual transportation charges incident to shipment of the scrap to the consuming plant.

Oregon added to "remote scrap areas"

3. With respect to "steel making" grades of scrap only, Oregon is added to the nine other States defined as "remote scrap areas" in the amendment of September 26, 1941. This allows steel mills and foundries to pay a maximum shipping point price of at least \$12 a

gross ton for No. 2 heavy melting scrap in Oregon and to absorb up to a total of \$5 a ton in transportation costs to bring the scrap to their plants. It is emphasized that Oregon is not established as a "remote State" for foundry cast iron scrap.

Redefinition for San Francisco area

To deal with the peculiar scrap purchasing situation in the San Francisco area, the amendment redefines the San Francisco basing point to include the towns of South San Francisco, Oakland, and Niles. The town of Pittsburg, Calif., is established as a new basing point with the same basing point prices as San Francisco for all grades of scrap. Because little scrap of the "steel making" grades is consumed in Oregon, Portland is eliminated as a basing point for those grades. However, it is continued as a basing point for foundry cast iron grades.

Another adjustment made by the amendment is an increase of \$1.50 per gross ton in the basing point prices of No. 1 cupola cast-iron scrap at both San Francisco and Los Angeles, and the differentials established in St. Louis for other cast-iron grades are now made applicable at San Francisco and Los Angeles.

Adjustments follow first-hand survey

All of the foregoing adjustments, Mr. Henderson stated, were made after a careful first-hand survey of the scrap situation on the West Coast by OPA staff members. It is not expected that the changes will make necessary any increase in the price of steel products. Because of the great distances and other factors peculiar to that section of the country, scrap supply problems in California are unique, and Mr. Henderson emphasized that there must be no expectation of similar scrap price adjustments in other areas.

Two other minor revisions are included in the new amendment. One increases by \$1 per gross ton the basing point price of low phosphorus scrap at Cincinnati, Portsmouth and Middletown, Ohio, and Ashland, Ky. The other removes certain restrictions on delivered prices in cases where the Office of Production Management allocates machine-shop turnings to ferro-alloy plants. This clears the way for these plants, which are remote from the sources of machine-shop turnings, to secure the supplies needed for a continuance of their products.

Over 100 kraft wholesalers indicate willingness to abide by cut in mark-ups

More than 100 representative wholesalers of paper products have individually indicated their willingness to abide by requests of OPA for a sharp reduction in the present jobber's mark-ups in prices of kraft wrapping paper, Administrator Henderson announced November 25.

Similar requests will be made individually to all other members of the trade.

Producers' prices already stabilized

While the understandings, which became effective November 20, are limited to kraft wrapping paper, the method of determining mark-ups on that item will be generally applicable to all other coarse paper products sold through jobbers. It is planned to make similar individual requests with respect to other coarse paper products as soon as practicable.

"Jobber's mark-up" is a term used to describe an addition made by a wholesaler to the price charged by a producer. The mark-up provides an operating margin to wholesalers for their services in maintaining and operating an elaborate distribution system for a wide variety of products.

By a series of individual agreements made with paper mills, OPA has kept the producers' price of Southern kraft wrapping paper, which makes up the bulk of the output, stable at around 4½ cents a pound for the past several months. Northern kraft wrapping paper sells at about one-half cent a pound higher.

Mark-ups have increased

While these agreements have been successful in maintaining stable prices at the source, unusual demand resulting from increased business activity has created an abnormal situation in the wholesale field. Jobber's mark-ups have increased 2¢ to 5¢ a pound on standard grades and even more on specialty grades. Hence, the cost of kraft wrapping paper to the ultimate consumer has become inflated and the effect of stable prices at the source has been lost.

Sharp reduction provided

OPA's agreements reduce mark-ups sharply. Using as a guide the "Manual of Standard Accounting and Costing for the Paper Distributing Trade," which was developed by the paper distributing trade during the NRA days, the understandings set specific mark-ups in terms of cents per pound. They cover both Northern

and Southern standard kraft wrapping paper in counter and "jumbo" rolls, 40-pound basis weight and higher, with differentials above base prices for sheets, special sizes and cuts and "super-standard" grades. Mark-ups are graduated according to quantity contained in a single delivery and jobbers' prices are f. o. b. jobbers' warehouse.

Paperboard under ceiling

Mr. Henderson pointed out that chipboard and all grades of paperboard and paperboard specialties, which are handled by wholesalers frequently as an accommodation to their customers, are covered by Price Schedule No. 32, Paperboard Sold East of the Rocky Mountains.

Several plans dealing with the question of distributors' mark-ups for paperboard are under consideration. However, until such time as a definite decision is reached on the matter no sale of paperboard, whether by a mill agent, jobber, broker, or wholesale paper merchant, may be made above the maximum prices established in Price Schedule No. 32.

Maximum kraft prices listed

As applied to standard kraft wrapping paper in rolls, the agreements establish maximum prices for jobbers as follows:

Quantity contained in single delivery (pounds):	Maximum prices to consumers (including jobber's mark-up) (cents per pound)
Less than 100.....	9.00
100 to 499.....	7.50
500 to 999.....	6.25
1,000 to 1,999.....	6.10
2,000 to 9,999.....	6.00
10,000 and over.....	5.75

Domestic wood pulp prices stabilized, by agreements, for first quarter of 1942

There will be no change in domestic wood pulp prices through the first quarter of 1942, as a result of extension of individual agreements between pulp producers and the Office of Price Administration, Administrator Henderson announced November 26.

These individual agreements, concluded late in October after several producers had agreed to withdraw fourth quarter price increases previously announced, continued in effect for the remainder of 1941 the prices that generally had prevailed since June 1940. Extension of these prices for the first 3 months of 1942 contributes importantly to stable prices for paper, Mr. Henderson said.

Prices of leading grades

Leading grades of pulp covered by the voluntary agreements and the maximum first quarter domestic prices are: Bleached sulphite, bond and book, \$72.50 a ton, on dock Atlantic seaboard; soda pulp, \$66 a ton, delivered; bleached Southern and bleached Northern kraft, \$82.50 a ton, on dock Atlantic seaboard; and ground wood, \$40 a ton delivered.

These are representative of contract prices charged during the fourth quarter. In the case of unbleached Northern and Southern kraft, each producer has agreed not to exceed the fourth quarter contract prices. In respect to all other grades of pulp, the differentials in effect

during the fourth quarter will be retained throughout the first quarter of 1942. Certain individual situations are undergoing investigation by OPA and minor adjustments may be found desirable, it was stated.

Broadened to cover exports

Mr. Henderson disclosed that in addition to domestic pulp prices, the agreements have been broadened to cover export prices and prices at which sales will be made to the Government under the Lend-Lease program.

Lend-Lease pulp purchases usually are shipped from the West Coast. The agreements provide that maximum prices shall be computed by taking the Atlantic seaboard base price, deducting average freight from the producing mill to its domestic customers in the past 3 months, and then adding the actual cost of transporting the pulp to the port of shipment. This will result generally in prices well below those that have prevailed recently in Lend-Lease sales.

Similarly, substantial savings to Latin and South American buyers of United States pulp are involved in the new arrangements for export sales. Maximum export prices, according to the understandings, will be based on the net mill realization price of domestic sales, plus freight, insurance, financing fees, and other costs actually involved in export sales.

50 makers of book, printing, and writing paper foresee no price rise in near future

Manufacturers of more than 50 percent of writing, book and printing paper (excluding newsprint) have indicated to the Office of Price Administration that no increases in their prices are in prospect for the near future, Administrator Henderson announced November 27.

Cost data requested

Expressions to this effect came in replies to letters sent recently by OPA to about 250 paper producers. In these letters, Mr. Henderson said it had been reported to his office that further price advances were being planned by certain manufacturers. He asked producers to consult OPA before taking any price action, and specifically to submit cost data to justify contemplated increases.

Typical of the replies received was one that said, "We are renewing our contracts for 1942, putting into effect for the first quarter, that is, until April 1, the same prices that prevail for the last quarter of this year."

Newsprint on annual contract

Producers of writing, book, and printing paper do not make newsprint. The latter is sold on annual contract with provision for price adjustments quarterly. There has been no change in newsprint prices for some time.

Extension of fourth quarter wood pulp prices through the first 3 months of 1942, announced November 27 by OPA, is an important factor in maintaining stable prices for all forms of paper.

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Meeting to discuss prices of barrel hoops, staves, headings

Methods of stabilizing prices of wooden hoops, staves, and headings used in common barrels will be discussed at a meeting in New Orleans Saturday, December 6, between manufacturers and jobbers and officials of the OPA, Administrator Henderson announced December 1.

Discussions will be limited to materials used to make "slack" or nonliquid tight barrels and will deal only with slack staves of a "knifed" variety and slack headings other than nail keg heads. "Knifed" staves are split off from thin boards and shaped with a draw knife or planer. A meeting with the producers of sawn slack staves and nail keg headings will be called in the near future.

Ceilings on southern hardwood lumber to be studied at New Orleans meeting

Ceiling prices covering all lumber made from southern hardwoods will be discussed at a meeting in New Orleans December 5, between lumber producers, wholesalers, and exporters and officials of the Office of Price Administration, Administrator Henderson announced November 29.

Lumber manufactured from the following southern hardwoods will be included under the proposed ceiling: White and red oak; sap and red sweet gum; black gum, tupelo, yellow poplar, magnolia, beech, sycamore, maple, elm, cottonwood, willow, and blackberry.

"Disproportionate increases" noted

"A price schedule for southern hardwood lumber, a commodity of great in-

dustrial importance, has become necessary because disproportionate increases have occurred in the prices of items in great demand and there are indications that still higher prices are likely," Mr. Henderson stated. "One example of this is inflated prices at which some of the 'furniture' hardwoods, such as oak, poplar, and the gums, are selling. Effect of these high prices obviously is to increase the cost of making furniture. Establishment of ceiling prices for southern hardwood lumber will go far toward stabilizing furniture prices."

Direct invitations to attend the New Orleans meeting have been sent to a large number of southern hardwood producers, wholesalers and exporters. However, any person engaged in those activities is welcome to be present.

2 wastepaper dealers agree to refund charges above ceiling

Two large jobber-dealers in wastepaper, operating in Illinois, have signed stipulations for the refund of all amounts collected in excess of the maximum prices established by OPA in Price Schedule No. 30, Wastepaper Sold East of the Rocky Mountains, Administrator Henderson announced November 28.

This represents the first action taken by OPA to compel cash restitution by violators of the wastepaper price schedule, although refunds have been obtained from numerous dealers and brokers in iron and steel scrap, which also is under an OPA ceiling.

Additional evidence of violations has been accumulated against other members of both trades, Mr. Henderson stated, and compliance proceedings are under way.

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Containers branch to work on folding, set-up boxes

The Office of Production Management announced November 26 that jurisdiction over the folding and set-up box industries has been transferred from the pulp and paper branch to the containers branch. William W. Fitzhugh has been appointed chief of this section, which covers folding cartons and boxes, set-up cartons and boxes, and paraffin cartons and pails.

Paperboard schedule amended to permit adding of duty

Duty on imports of paperboard from any foreign country may be added to the delivered price by buyers in the United States, even though this results in a total cost which exceeds the maximums established in the paperboard price schedule, according to an amendment announced November 29 by OPA Administrator Henderson.

In no event, however, the amendment stipulates, shall the delivered price exceed the ceiling prices set in the schedule, plus the actual amount of the import duty. Importers of paperboard are required to show the import duty as a separate charge in their invoice records.

The new amendment incorporates in the paperboard schedule the substance of a ruling announced by Mr. Henderson on October 11 with respect to imports of paperboard from Canada, the only foreign country from which such material is brought in. Canadian imports consist almost wholly of so-called 9 point corrugating material. Domestic production of corrugated board in 1940 approximated 35,000,000,000 square feet and current estimates are that a very large increase will be necessary this year to satisfy the tremendous demand created by the defense program and greater activity of civilian industry. Imports of "9 point" corrugating material from Canada will play an important part in meeting this demand.

Prices of sash and door products made from Western pine stabilized pending study

Prices for doors, door frames, sash, window frames, and screens made of Western pine have been stabilized for the time being through a series of individual agreements with manufacturers representing about 80 percent of the pine sash and door industry, OPA Administrator Henderson announced November 29.

Pending investigation of industry

A formal ceiling price schedule for these products will be issued upon completion of an investigation of the industry now under way. The November 29 announcement of the individual agreements was made concurrently with the issuance of a schedule of maximum prices on Douglas fir doors. Taken together, the agreements and the schedule represent OPA's first direct action in the field of finished lumber products. Price ceilings previously have been imposed on Douglas fir plywood, Douglas fir lumber and Southern Pine lumber.

Agreed prices near level of last half of August

The agreed prices for Western pine products are around the levels quoted during the last two weeks in August, and for many items are under market prices prior to the agreement. Fir door prices are lowered by about 15 percent in today's new price schedule.

The agreements cover carload-lot sales of Western pine doors, door frames, sash, and window frames by manufacturers to dealers or jobbers. Screens have been added by later informal agreement. Jobbers are to be entitled to the customary discounts and concessions off the list prices to dealers.

Minimum discounts listed

As in the case with Douglas fir doors, prices of Western pine products are quoted in term of percentage discounts off of a standard price list. The OPA agreements contain a list of minimum discounts (equivalent to maximum prices) for deliveries to dealers in the Chicago zone. Deliveries to other zones are to be adjusted on the basis of freight differentials recognized by the manufacturer prior to the agreement.

(Prices are stated in terms of discounts from the standard list for carload lots delivered to dealers in the Chicago zone.)

PANEL DOORS	Percent
4, 5 and 5 xp-----	54
1 and 2 panel, fir panels-----	56
W. P. P. panels-----	54

1 and 2 panel—Continued.	Percent
Sap gum panels-----	52
Uns. birch panels IP 65½-----	51
6 panel, pine panels (½ panel)-----	55
Sap gum panels-----	53
Uns. birch panels-----	62
1 panel insert:	
Birch panel WP sub. FR-----	45
Sap gum panel WP sub. FR-----	46
Fir panel WP FR-----	48
Red gum panel WP FR-----	42
Birch panel birch FR-----	42
Sap gum panel sap gum sub FR-----	43
Red gum panel red gum FR-----	35
W. P. panel W. P. FR-----	47

OPEN DOORS

Sash doors, 1½, 1¾ sash-----	55
Doors, storm doors, side lights 700-701-----	55
1 lt. rim and store doors-----	55
1¾ French ND 622-628 and 637-643-----	60
Cupboard doors ¾ and 1½:	
WP S & R solid raised WP pan-----	59
WP S & R fir lam. panels-----	61
WP S & R birch YP or gum pans-----	57
Combination doors-----	61

The maximum discounts for doors of one

and three-quarters (1¾) inch thickness shall be three points shorter than the discounts stated above.

The maximum discounts for laminated fir and pine panel doors shall be one point shorter than the discounts stated above the fir and pine panel doors.

OPEN WINDOWS

1½ plain rail windows and barn and cellar sash-----	53½
1¾ check rail windows and single sash-----	51
1½ storm sash-----	54

GLAZED WINDOWS

1½ plain rail windows and barn and cellar sash-----	68½
1¾ check rail windows and single sash-----	67½
1½ storm sash-----	67½

The maximum discounts for KD windows and sash for a sale of less than 2,500 windows or 5,000 sash shall be one point longer than the discounts stated above.

The maximum discounts for KD windows and sash for the sale of 2,500 windows or 5,000 sash or over, shall be two points longer than the discounts stated above.

PLAIN FRAMES (1,200 OR MORE IN AN ORDER)

Wood Frames P & P, K, D-----	66
Wood Frames No. P & P, K, D-----	65
Door Frames K, D-----	65

Manufacturers' prices of Douglas fir doors are cut about 15 percent by ceiling

Manufacturers' prices of Douglas fir doors, which represent about 60 percent of all doors manufactured in the United States, are reduced approximately 15 percent from current levels in a ceiling schedule issued November 29 by OPA Administrator Henderson. The schedule becomes effective December 10, 1941.

Production of Douglas fir doors is confined to the States of Oregon and Washington, where practically all Douglas fir timber originates. There are some 14 manufacturers of Douglas fir doors.

Simultaneously with the issuance of the Douglas fir door schedule, Mr. Henderson announced agreements with manufacturers stabilizing prices of doors, door frames, sash and window frames made of Western pine. These agreements are temporary and will be superseded by a formal price schedule upon completion of an investigation of the industry now under way.

To save buyers \$3,000,000 a year

Under stimulated demand resulting from the defense program, prices of Douglas fir doors have risen almost 40 percent in the past year. These price increases have substantially outstripped higher production costs. Maximum prices established by OPA are sufficiently high to encourage peak production and,

at the same time, are calculated to save buyers of fir doors approximately \$3,000,000 a year as compared with current prices.

Fir door prices are quoted in terms of discounts off a list price. Discounts as established in the schedule are 72 percent off for No. 1 doors; 73 percent off for No. 2 doors, mill-run doors, storm doors, and cupboard doors; and 74 percent off for No. 3 doors. These maximums compare with present prices based on discounts averaging between 68 and 70 percent for No. 1 doors, with other doors priced proportionately.

Apply only to manufacturers' prices

The new maximums apply only to manufacturers' prices. Dealers' and jobbers' prices are being watched closely and, if necessary, the schedule will be broadened to include those channels of distribution, Mr. Henderson said.

Sole exception to the discount method of quoting prices in the new schedule is the subsection dealing with garage doors. A basic maximum price of \$8 a pair may be charged by manufacturers for these doors, f. o. b. factory.

The usual extras which have been charged by manufacturers over the past 3 years are retained in the schedule with respect to all types of doors, as also are the methods of quoting additions to price for transportation costs.

Carded cotton goods contracts made before July 21 tied to 15.99-cent "spot" price

Formal amendments to Price Schedules No. 33 (carded cotton yarn) and No. 35 (carded grey and colored-yarn cotton goods) to allow completion of deliveries under contracts made before July 21, 1941, at maximum prices corresponding to a "spot" cotton price of 15.99 cents a pound were issued November 26 by the Office of Price Administration.

Announcement that such amendments were being prepared was made November 7.

Prohibits adjustments at higher prices

The new amendments also specifically prohibit any modification or rewriting of a contract for cloth or yarn which would result in a price higher than the ceiling price applicable to the original contract or to deliveries against that contract. This restriction applies equally to contracts made before or after a particular ceiling price has been established. It prohibits sellers from taking advantage of any contract provisions that purport to give them the privilege of future adjustment to a price higher than the maximum price prevailing at the time the original contract was made.

Other revisions

In addition to the above revisions, which are now being incorporated in both schedules, a number of further changes are made in Price Schedule No. 35. These include:

1. Provision that various premiums and differentials newly established in that schedule may be charged with respect to deliveries against contracts closed before October 21, effective date of the schedule, and involving goods which were under ceiling prices prior to that date.

2. Conditions under which application may be made to OPA for permission to charge a premium for "specification" goods, i. e., cloth produced according to the buyer's specifications, are extended to cover cases, where, because of special circumstances, the premiums allowable without application to OPA are claimed to be inadequate.

3. An addition is made to the table of maximum prices for chambrays and coverts to make it clear that cloths of weights other than those mentioned are to be priced, in proportion to weight, on the basis of the ceiling prices for the same cloth of the nearest weight.

4. The term "off loom" as applied to width and thread counts of all goods is eliminated from the section outlining cloth specifications required in sales contracts and invoices. As revised, this section calls upon sellers to state the actual width and thread of the cloth as delivered.

5. The "thread count" column of the table describing the types of cloth covered in the "sheeting yarn" group is eliminated, thus

making it clear that maximum prices apply to all drills and four-leaf twills.

6. The tables covering the "sheeting yarn" group are amended to substitute "part-waste osnaburgs" for "osnaburgs." Maximum prices established for osnaburgs were intended only to apply to that grade of cloth when made partly from waste cotton.

Changes retroactive

However, it was stated, studies are under way to include "clean" osnaburgs

under the ceiling as soon as possible. In the meanwhile, OPA expects "clean" osnaburgs to sell at prices reflecting the normal differential between that cloth and the part-waste grade and in no event at prices higher than the ceiling for class A sheetings.

Except for the provision prohibiting the rewriting of contracts, all changes made by the new amendments are retroactive to October 6 or October 21, the respective effective dates of Schedules Nos. 33 and 35.

OPA suggests simple precautions in buying and caring for rayon garments, textiles

Conserving for defense extends even into the field of women's and children's frocks, according to reports from the staff of Miss Harriet Elliott, associate administrator of the Office of Price Administration and chief of the Consumer Division.

Silk shortages have resulted in the steadily increasing use of rayon in wearing apparel, draperies, and other household textiles. The sharpest increase in consumption is apparent in the hosiery industry. Since the defense program makes steady demands on producers of rayon yarns, any waste in civilian use is to be carefully avoided.

Buy rayon goods carefully

Consumers are urged to buy rayon goods carefully. If textiles or garments are to be washed, only those labeled "washable" should be purchased. "Washable" should mean that the colors are fast, and that the garment will not shrink out of fit. If no label is present, customers should demand such information from the retailer.

Most rayons except acetate may be washed and pressed in much the same way as silk. Flat, plain weaves such as those used in lingerie and many dress fabrics are usually washable. Lukewarm water, never hot, should be used, and mild, neutral soap flakes. The washing should be done with the absolute minimum of rough handling, excess water being squeezed out in the folds of a towel. Garments made of knitted, crepe, or novelty fabrics should be measured before cleaning or washing, dried flat on a towel, then gently eased back into shape.

All rayon garments should be ironed on the wrong side while damp, never allowed to dry first. The iron should be moved down the length of the garment, and a slight tension exerted to restore the original size. Acetate rayon requires special care. It demands exceedingly careful ironing, since it may become shiny or even melt if the iron is too hot.

Some must not be washed

Some fabrics of rayon, or of rayon in combination with other yarns, must not be washed. Labels should indicate this fact, or it should be ascertained from the dealer. It is a safe practice to wash fabrics only when labels or instructions indicate that such is the usual method of cleaning. Otherwise, the garments should be dry-cleaned. Certain cleaning solvents, as well as nail polish and polish remover, dissolve acetate rayon and should not come in contact with it. Crepes and loosely woven fabrics, pleated and ruffled garments usually require dry-cleaning.

Garments should be properly labelled

When a garment is made of a fabric combining rayon and other yarns, the label should indicate this fact. The law requires this in the case of wool. Such fabric should be treated as the most delicate fibre in them requires. Information about preshrinking should also appear on the label, or be requested from the dealer.

These simple precautions in buying and caring for rayon garments and household textiles will increase their life and usefulness.

Defense News for Consumers

Labor Consumer Committee

Formation of consumer committees by labor union locals and by city-wide union councils to keep tab on the cost of living in their localities was urged last week by Miss Harriet Elliott, Associate Administrator of the Office of Price Administration in charge of the Consumer Division.

Miss Elliott's announcement came as an endorsement of the consumer program adopted by the CIO Women's Auxiliary at the national convention in Detroit, and the action taken recently by the Textile Workers Union of America to organize a Cost of Living Committee in each of the 600 locals of the national union.

"The two functions of earning money and spending money must be recognized," Miss Elliott said, "if a decent standard of living is to be maintained. But during this period of rising prices, the consumer function takes on an added significance. Rising prices are now cutting wages just as surely as if they were cut before they were put into the pay envelope.

"The labor movement of America can do a great deal through its already well-organized channels to maintain and raise the standard of living of the American worker by checking prices and disseminating sorely needed information on the wise buying and conserving of goods."

Auxiliary Adopts Extensive Program

The consumer program adopted by the CIO Women's Auxiliary, representing 700 locals, includes the following points:

1. Creation of a consumer committee in every local auxiliary and in every local parent union.
2. Contact all other consumer groups in the community.
3. Write to the Consumer Division of OPA and the Consumer Council of the Department of Agriculture for literature and speakers.
4. Cooperate with State and local Defense Councils.
5. Develop consumer program around local needs and problems stressing rents, food, milk, and clothing costs.
6. Arrange conferences and meetings on consumer problems and set up study groups on classes for leaders.
7. Set up Consumer Information Corners in each union headquarters and work for the establishment of community-wide Consumer Information Centers under the sponsorship of local defense councils.
8. Campaign for extension of educational work on grading, labelling, and better buying.
9. Secure signatures for Consumer's Pledge for Total Defense.
10. Support Federal Price Control Bill; check local ordinances affecting the consumer; oppose trade barriers; work for the repeal of laws harmful to the consumer.

An increasing number of labor representatives, from the ranks of both the CIO and AFL, are taking an active part in the work of various city-wide consumer committees, it is indicated by reports reaching the Consumer Division.

In Akron, Ohio, A. J. Frecka, of the Steamfitters Union, is chairman of the consumer committee and Frank Grillo, national secretary-treasurer of the United Rubber Workers, is secretary.

In Salt Lake City, Utah, M. I. Thompson, editor and publisher of the Utah Labor Herald, and a member of the Typographical Union, was appointed chairman of the consumer committee of that city's defense council. He is the first labor editor to receive such an appointment.

In Newark, Carl Holderman, regional director of the Textile Workers Union of America, recently assumed the position of chairman of the Newark Defense Council's consumer interest committee.

In Philadelphia, the consumer committee of the defense council is an outgrowth of a city-wide consumer council sponsored originally by the Joint Board of the Amalgamated Clothing Workers. On the committee, representing labor, is Merlin D. Bishop, educational director of the Amalgamated.

On the advisory committee on consumer affairs to the Pennsylvania Defense Council are James McDevitt, president of the State Federation of Labor, and John Phillips, president of the State Industrial Union.

Some Independent Committees

In some cities, consumer committees have been formed independent of the local defense council to take action in the consumers' interests. Labor is also playing an important role in many of these.

In Detroit, for instance, Arthur Elder of the American Federation of Teachers, and Ben Probe of the State Industrial Union Council are members of the Greater Detroit Consumers Council, which this summer waged an effective campaign against increases in the price of milk. In Lawrence, Mass., the Textile Workers Union of America has been waging an effective fight against rent rises it considers unwarranted. And in West Virginia, labor unions gave full support to the formation by Governor Neely of a State-wide Anti-Profiteering Committee.

Labor unions, in addition to carrying on action programs, are also conducting consumer education courses for their membership. Notable among these are the International Ladies' Garment Workers Union, the United Automobile Workers Union of America, the American Federation of Hosiery Workers, and the United Office and Professional Workers.

The Student's Role

A series of educational programs to acquaint students with their role as consumers in the present emergency is being organized jointly by the Consumer Division, OPA, and school authorities throughout the country.

The first of these programs will be initiated simultaneously this week at Skidmore College, Saratoga Springs, N. Y., and at Miner Teachers College, Washington, D. C.

Beginning on December 7 and continuing on a campus-wide basis for the rest of the week, the "Consumer Week" program at Skidmore will open with an address on "The Role of the College Woman in National Defense," by a representative of the Consumer Division's college unit.

Throughout the week there will be a series of round table discussions dealing with the defense program as it relates to consumer problems, including a special panel on "Price Control" and "The College Girl as a Consumer." Each meeting will be under the sponsorship of a different department within the college. A special issue of the campus newspaper will contain articles of consumer interest and on specific aspects of the "Consumer Week" program.

The program will close on December 12 with a style show prepared by the college's Department of Home Economics, at which clothes will be judged for their durability, economy and adaptability, as well as for style.

On "Consumer Day" at Miner Teachers College, on December 3, consumer exhibits will be displayed, and an assembly featuring a panel of students, faculty members and representatives from the Consumer Division will be held. After the panel discussion on the general topic of "The College Consumer and Defense," a campus consumer-committee of faculty members and students will be formed to carry on continuous consumer activities in the school throughout the year.

A similar consumer-and-defense program is scheduled for Vassar College, Poughkeepsie, N. Y., where plans call for the display of a consumer exhibit in the college's permanent Social Museum.

Installment buying restrictions have helped prevent inflation, OPA expert says

Installment buying restrictions imposed by the Federal Reserve Board on September 1 already have contributed importantly to the Government's efforts to prevent inflation, Rolf Nugent, consumer credit expert of the Russell Sage Foundation and special adviser to the Office of Price Administration, said in a speech November 25 before the Chicago chapter of the American Statistical Association.

Same effect as taxes

"Throughout the year 1940 and the first 8 months of 1941 consumer credit expanded at a rate of about 1.2 billion dollars a year," Dr. Nugent said. "After September 1, when the Federal Reserve Board's regulations became effective, this trend was reversed. While accurate estimates are not yet possible, the information presently available to us suggests that consumer credit is now liquidating at a rate of about 2 billion dollars a year.

"The effects of installment credit restrictions on this scale are similar to those of a 3.2 billion dollar increase in taxes," Dr. Nugent stated. "Since this figure approximates the estimated increase in tax revenues during the current fiscal year, it can be said that consumer credit control is contributing as much as the new Federal tax law to the battle against inflation."

Buy less goods competing with defense

The speaker pointed out that installment buying restrictions have distinct advantages as supplementary weapons of monetary policy under an emergency economy. The primary effect of these restrictions can be directed against goods that compete with defense weapons for scarce materials and skills. Further, consumer credit control imposes a more even pressure upon demand than present methods of tax collection.

"Expansion of consumer credit, such as took place up to September 1, enlarged consumers' purchasing power and added to the inflationary effects of armament expenditures. Reversal of this trend is offsetting in part our Government's spending by diverting incomes that would otherwise be spent for goods and services to the repayment of personal obligations. This change has played an important part in leveling off the recent upsurge of retail sales and in relieving to some extent the upward pressure on the price level," Dr. Nugent concluded.

News for Retailers

Plans Suspended for Furniture Ceiling

Plans for the issuance of a schedule establishing maximum prices on household furniture made of wood have been suspended for the present, OPA Administrator Henderson announced November 27.

The administrator said that since November 10, when OPA first disclosed that a furniture price ceiling was being prepared, conditions in the furniture market have undergone a change. The upward trend in prices has leveled off and there appears to be little likelihood at present of further increases. Postponement of ceiling action will enable manufacturers to proceed with their plans for the January market.

"The next critical point in the furniture price situation will occur at the January market when new models will be introduced," Mr. Henderson said. "In the meanwhile, furniture prices will be watched closely by my office. Should it become apparent that resumption of the upward trend is imminent, a maximum price schedule will be issued based on the price level prevailing at the November markets."

OPA Considers Hide Glue Ceiling

Inflationary price advances have developed in hide glue and hide glue stock, and the Office of Price Administration is considering the imposition of maximum prices below current levels, Leon Henderson, administrator, announced November 28.

Representatives of hide glue manufacturers, sellers, and tanners have been invited to attend a meeting in Washington December 3 to discuss the price situation. Any sellers of hide glue who have not received direct invitations to the meeting will be welcome, it was stated.

Hide glue is prepared from the trimmings and waste recovered from hides by packers and tanners. It is sold in solid form, usually in sheets or in powder, and, when reduced to liquid form by the addition of water, forms the basis for common household glue. Its industrial uses, however, are far more important. Hide glue is the adhesive used in paper-backed abrasives; it plays a part in munition waddings and casings; holds together most types of wood furniture

and plywood; and contributes to the gloss, body, and "waterproofness" of coated paper. Gummed paper tape, widely used to seal packages, boxes and cartons, is made with hide glue.

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OPA explains scope of request on petroleum

Scope of the request made to members of the petroleum industry by OPA on November 7 to maintain prices prevailing on that date was clarified in letters sent out November 29 by Leon Henderson, administrator.

The letter explains in detail the products on which proposed price increases must be presented to OPA, the branches of the industry covered in the request, and circumstances surrounding price advances and action to be taken to secure the approval of OPA.

Products on which proposed price increases must be presented to OPA, the letter states, include crude petroleum, all grades of gasoline, kerosene, including range oil and stove oil, distillate fuel oils, residual fuel oils, asphalts, lubricating oils, including motor oils and stock oils (neutrals, bright stocks, steam refined oils, etc.) Excluded for the time being are industrial lubricating oils, greases, compounded oils, specialty products, services, etc.

Retail outlets included

Among branches of the industry included in the request are crude oil producers, crude oil purchasers, and marketers. The latter category includes integrated companies, nonintegrated companies, terminal operators, jobbers, peddlers, service station operations and all other retail outlets.

It is explained further, in the letter sent out November 29, that prices may be reduced below the November 7 level to meet competition and that they may subsequently be raised to that level to follow competition without notifying OPA. In cases where markets were subnormal prior to November 7, as result of price wars or other reasons, approval must be secured before raising prices.

Other matters explained in the letter include a description of data which must be presented to justify price advances, the conditions on which contracts may be renewed or new contracts entered into, and changes in marketing practices.

PRODUCTION . . .

American and British plane production rapidly forging ahead of Axis, says Meigs

On radio time donated by the Firestone Tire and Rubber Co. each week to the Office for Emergency Management, George Hicks, the evening of November 3, interviewed Merrill C. Meigs, chief of the aircraft branch of the Office of Production Management. Mr. Meigs had recently flown to England in one of the new American bombers.

Excerpts from the broadcast follow:

Q. Am I right—your special branch has to do with airplane manufacture?

A. That's right. We're a sort of general overseer—perhaps I'd better say adviser—representing the defense program. Our job is to supplement the work of the Army and Navy in production—help plan airplane models, help get them into the factory and out of the factory again and in the air where they belong.

Q. I see. I imagine there is a lot of work—and a few gray hairs—involved in that simple statement, "Get them into the air."

A. Well, as far as gray hair is concerned, I started with a few when I took over this job. I can't blame it on aircraft production. But you're right. There's considerable work involved in getting a plane in the air. Not all of it thrilling, either, unless you consider the men who sit at drafting boards all night through have thrilling jobs.

Q. No, I'm afraid not. That's the beginning of the bomber, isn't it?

A. The blueprints, yes. Sometimes 10,000 of those drawings of different parts are required before a wheel turns. Multiply that by thousands and you get some idea of the amount of paper work alone.

Q. I don't think I'll even try that one, Mr. Meigs. I imagine you won't want to give out confidential figures over the air. But speaking generally, how are we doing on this production program?

A. Roughly, our production of airplanes has quadrupled within a year.

Q. I wondered. The public gets various figures from time to time—sometimes they seem to conflict.

Big advance over last January

A. They're bound to. It depends on who is doing the talking. There's an old saying that figures don't lie, but liars can figure. You can take the production figures on planes and make it sound like very little if you forget to say the planes

are four-motor bombers. The fairest way to figure plane production is in tonnage and for engines, horsepower. I can tell you that the engine plants are delivering a total of over 4 million horsepower a month—a tremendous advance over last January.

Forging ahead of Axis powers

Q. That's interesting. Can you tell how that compares with the output of the Axis powers?

A. I've had a good many figures of Axis production and no two agree. Sometimes I think the boys overseas ought to get together on their stories.

Q. You mean the Axis propagandists?

A. Exactly. But from what I know of their productive capacity and figures picked up here and there, it is my opinion—and others agree with me—that the combined American, Canadian, and British production is forging rapidly ahead of those other powers now.

Can't produce planes like autos

Q. In other words, we're getting into our stride for those 50,000 planes. How is it that a country like ours that can produce 5 million automobiles a year finds it such a job to turn out one one-hundredth that number of airplanes?

A. First, let me point out that it took 25 years to perfect the technique of automobile assembly, whereas it is only little over a year since we went into real quantity production of airplanes.

Q. Still isn't the manufacture of planes pretty much like automobiles?

Plane engine a tailor-made job

A. No, there is very little similarity. For one thing, a light bomber weighs up to 20,000 pounds as against 2,000 for a light automobile—a difference of 10 times as much. Then, again, the engines can't be turned out on an automobile assembly line geared for speed. The plane engine is put together with a precision that would make an ordinary assembly line worker feel like a watchmaker. The plane engine is practically a tailor-made job.

Q. That makes a difference, I can see.

A. A difference in the type and size of engine and in time. It takes 5 months to get those engine parts ready for as-

sembly. Then take the thousands of man-hours of labor—7,500 about—to put together an air frame as against 30 hours for a V-8 Ford body. On top of that thousands of inspections and checking up before we're ready to let a pilot bet his life on that workmanship.

Q. You mean you can't make use of the automobile industry?

A. Oh, yes we can—and we do. Most of what we're doing is based on the experience America gained from building cars—and that's where we get our thousands of highly skilled mechanics. We're using assembly lines in our new airplane factories, too, but they're different from the automobile assembly lines. We're speeding up now in putting out the best combat planes in the world.

Planes give good performance

Q. Speaking about quality, how do the British like these planes we're sending over, Mr. Meigs?

A. Not only the British pilots, but their commanders are enthusiastic about the performance of our planes. I talked to a good many men in combat service when I was over there recently. The pilots are familiar with the planes and like them—the Bell pursuit and the Lockheed, Martin, and Douglas bombers—plus those big four-motor bomber jobs—are *doing* a job.

Q. Probably the pilots like them better than Mr. Hitler does.

A. I imagine so. They've made a good many successful raids far into Germany.

Meigs flew to England

Q. By the way, you spoke of a trip to England. Did you fly in one of our bombers?

A. There and back, yes. An American B-24.

Q. You'll admit *that* must have been pretty thrilling.

A. It was an experience it would take more time than I've got now to describe. I've done some flying in my time but a trans-Atlantic flight in a bomber tops it all. To the men who take those great bombers across, though, it was an old story.

Q. Did you have any difficulty?

A. Not with a plane and crew like that. As an example of navigation even with blind flying, our pilot came down out of the clouds within 400 yards of our destination.

Q. That's not bad shooting for a range

of 2,000 miles. How long did the trip take, Mr. Meigs?

A. Ten hours. It's been done in less, of course—7 or 8.

Q. H-mmm. That brings it sort of close to home, doesn't it? I suppose an enemy bomber could do it fairly close to that.

A. Not impossible. The answer is to have more planes to fight off an enemy bomber—and, incidentally, a civilian Aircraft Warning Service operating smoothly.

Trying out new types all the time

Q. Well, it looks as if you're helping to furnish the planes anyway. What about future developments, Mr. Meigs? Do you have any idea there will be drastic changes in types of aircraft?

A. That's hard to foresee. Naturally, we're going ahead experimenting and developing. We keep the test pilots busy trying out new types all the time. You just can't stop. Nobody knows what the other fellow has up his sleeve until he reaches for it. Higher speed, greater distance, higher altitude, more fire power—we've got to outguess him and be ahead of him all the time.

Q. You mean ready to call his bluff or raise him.

A. Or both. Our job of plane production is the biggest job an industry ever tackled—any industry in any country ever tackled. Since the Wright Brothers flew that first plane, the United States has produced, all told, 75,000 planes. We are asked to produce within 1 year two-thirds as many planes as this country produced in 37 years. That is like asking the automobile industry to produce 53 million complete, modern cars in 1 year. And we've not only promised to supply our armed forces with that stupendous number of planes, but planes that will be better than any produced anywhere in the world.

Q. Can we go through with that, Mr. Meigs?

A. We can—and we will.

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Lieut. Col. Dillon appointed for liaison with OPM

Lieut. Col. Leo J. Dillon, Ordnance Department, has been assigned as liaison officer between the statistics branch of the Office of the Under Secretary of War and the Bureau of Research and Statistics of the Office of Production Management, and also as liaison officer with the ordinance branch of the Production Division of OPM.

DEFENSE PROGRESS . . .

UNITED STATES ARMED FORCES

Total active strength, officers and men.....	1,964,414
Army, October 9.....	1,588,500
Navy and Marine Corps, Nov. 1.....	375,914

PRODUCTION

Commitments for defense plant expansion, June 1940–Sept. 30, 1941:

Total: 3,004 projects.....	In millions \$5,261
United States Government commitments:	
568 projects.....	\$4,122
Private commitments: 2,376 projects.....	994
Foreign commitments: 60 projects ¹	145
Combat vessels delivered in October.....	² 6
Merchant vessels delivered in October.....	² 10

EMPLOYMENT

	Number	% change since June 1940
National labor force in October.....	53,500,000	—5
Total civil nonagricultural employment in October.....	² 40,749,000	+14
Private, 18 major defense industries in October.....	² 2,700,000	+69
Total farm employment, Nov. 1.....	10,420,000	—13
Unemployment, October.....	3,900,000	—55

EARNINGS, HOURS, AND COST OF LIVING

All manufacturing industries—September:		
Average weekly earnings.....	\$32.01	+24.1
Average hours worked per week.....	40.9	+9.1
Average hourly earnings.....	75.8¢	+12.8
Total income payments in United States (on annual rate basis), 1941.....	In billions	
Income payment in September ³	² \$92	² +24
Average for first nine months.....	² 86	
Cost of living:		
Index of cost of goods purchased by wage earners and lower salaried workers for "large cities" (1935–39 equals 100), October 1941.....	109.4	+8.9

LABOR DISPUTES

	Strikes	Workers
Strikes considered by OPM Labor Division of serious concern to the defense program during the week ended Nov. 22.....	10	6,900
Cases in which work was resumed during week.....	5	2,100
Stoppages current as of Nov. 22.....	5	4,800
	Cases	Workers
Certified to National Defense Mediation Board, Mar. 27–Nov. 29.....	107	1,182,577
Strikes averted or men returned to work.....	107	1,182,577

DEFENSE HOUSING

	Family dwellings	Trailers	Single person units
Housing units, cumulative to Nov. 22:			
Allocated.....	⁴ 125,299	7,595	10,851
Construction contract awards.....	105,527	6,084	9,090
Available for occupancy.....	53,798	1,851	6,353

CIVILIAN DEFENSE

	Number	% change from May 20, 1941 ⁴
Local defense councils organized through Nov. 11.....	5,740	283

PRICES

Price schedules issued (No. 5 and No. 27 revoked).....	44
Regulation on pricing practices.....	1

PRIORITIES

M orders creating industry-wide controls over materials.....	45
P orders giving limited blanket ratings for materials entering into production of key defense objects.....	58
E orders giving production preference to equipment especially needed for defense.....	2
L orders setting limits on production of materials or items (L-8 terminated).....	15

¹ When figures show a decrease from previous figures the difference reflects absorption of foreign contracts by United States Government agencies.

² Preliminary estimate.

³ Income payments include salaries and wages, dividends, and interest, entrepreneurial income, net rents and royalties, and relief and insurance payments. The rate is adjusted for seasonal variation.

⁴ 15,307 units programmed for which funds are not available.

⁵ Date Office of Civilian Defense was established.

CONTRACT DISTRIBUTION . . .

Defense contracts for \$31,577,090 relieve priorities unemployment in 10 areas

Defense contracts totaling \$31,577,090 have been awarded by the Army and Navy in areas where the OPM has found shortages of materials for nondefense work causing grave unemployment, Peter R. Nehemkis, Jr., special assistant in OPM's Contract Distribution Division, said November 26.

Nehemkis enumerated the contracts in a statement prepared for delivery at St. Louis, Mo., before the House Committee investigating national defense migration. He appeared before the committee as the representative of Floyd B. Odum, director of the Contract Distribution Division.

More than 75 plants certified

Explaining the system by which the Contract Distribution Division and the Labor Division of OPM certify distressed areas and industries to the armed services for special consideration in the placing of defense work, Nehemkis said that 10 areas, including more than 75 plants, and 1 entire industry had been so certified.

"Under study at the present time," he added, "are some 100 areas which face potential distress from priorities unemployment."

The following report of certifications and contract awards was placed before the House Committee:

EVANSVILLE, IND. (certified 10-7-41)

Wm. R. Roots Co.: Navy ordnance reports placing award for bombs, approximately	\$557,000.00
Calvaleir Garment Co.: Army	34,750.00
Sunbeam Electric Co.: Army	360,000.00
Servel Co.: Army	48,105.00
R. Boots Stove Co.: Army	148,395.00
American Fork & Hoe Co.: Army (sledges)	560.70
American Fork & Hoe Co. (kits): Army	467.00
Crescent Stove Works: Army	1,022.28
	184,395.00

GREENVILLE, MICH. (certified 10-20-41)

Gibson Electric Co.: Army	\$539,818.00
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EATONTON, GA. (certified, 10-20-41) (under negotiation)

MANSFIELD, OHIO (certified 10-20-41)

Westinghouse Electric Co.: Army	\$2,326,450.00
Westinghouse Electric Co.: Army	3,673,543.00
Westinghouse Electric Co.: Army	2,516.92
Ohio Brass Co.: Army	340,000.00
Ohio Brass Co.: Army	120,000.00
Hughes Kennan Co.: (subcontract by Navy)	45,000.00

Subcontracts: Army	\$380,000.00
Barnes Manufacturing Co.: Army	13,442.22

MANITOWOC, WIS. (certified 9-29-41)

Manitowoc Shipbuilding Co.: Navy	\$140,000.00
Aluminum Goods Mfg. Co.: Army	4,800.00
Kaufman Manufacturing Co.: Army	4,923.00
Aluminum Specialty Co.: Army	446,750.00

KENOSHA-RACINE, WIS. (certified 10-4-41)

Allis-Chalmers Mfg. Co.: Navy	\$133,158.00
J. J. Case Co. (tractors): Navy	57,168.54
Nelson Bros. & Strom Sales Co.: Navy	69,600.00
Nelson Bros. & Strom Sales Co.: Navy	36,410.00
George Gorton Machine Co.: Army	1,053.00
George Gorton Machine Co.: Army	81,358.00
Chicago Rubber Clothing Co.: Army QMC	1,867.42
Peter Pirsch & Sons Co.: Army QMC	4,762.50
Jacobson Manufacturing Co.: Army	5,528.00
Jacobson Manufacturing Co.: Army	60,852.00
Jacobson Manufacturing Co.: Army	3,213.00
Simmons Bed Co.: Army	80,500.00
Simmons Bed Co.: Army	48,300.00
Vincent McCall Co.: Army	241,500.00
Snap-On Tool Co.: Army	1,861,357.01
Nash-Kelvinator Corporation: Army	678,360.00
Webster Electric Co.: Army	149,000.00
Webster Electric Co.: Army	98,891.00
Frost Co.: Army	886,000.00
Cooper Manufacturing Co., Inc.: Army	97,850.00
Walker Manufacturing Co.: Army	1,180.38
J. I. Case Co.: Army	261,562.00

MEADVILLE, PA. (certified 10-4-41)

Talon, Inc.: Army	\$8,875.00
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WASHER-IRONER INDUSTRY (composed of 34 individual firms) (certified 10-20-41)

Apex Electric Manufacturing Co., Cleveland, Ohio	} \$12,986,360.00
Easy Washer Co., Syracuse, N. Y.	
The 1900 Corporation, St. Joseph, Mich.	

One-third of contract awarded to each of the above as prime contractor under agreement to subcontract only among firms in the industry.

Appliance Manufacturing Co., Alliance, Ohio	} 819,260.00
Lovell Manufacturing Co., Erie, Pa.	

One-half of contract awarded to each.

RIPON, WIS. (certified 10-20-41). None

GRAND RAPIDS, MICH. (certified 10-20-41)

Grand Rapids Varnish Corporation: Army	\$1,053.94
American Seating Co.: Army	2,520.00
Oliver Machine Co.: Army	850.00

Globe Knitting Works: Army	\$126,000.00
Brocher & Hood Corporation: Army	10,428.00
American Auto Felt Corporation: Army	148,500.00
Gallmeyer & Livingston Co.: Army	9,814.00
Gallmeyer & Livingston Co.: Army	2,306.00
Plants unknown: Navy	9,724.00

The total of all the foregoing contracts awarded to certified areas is \$31,577,090.00.

Certification is joint undertaking

"The certification of communities or industries is the joint undertaking of the priorities branch of the Labor Division (OPM) and the Division of Contract Distribution," Nehemkis said. "At the request of the priorities branch of the Labor Division or upon its own initiative, community surveys are made by the Bureau of Employment Security. The completed surveys are transmitted to the priorities branch. If the community is certified, the priorities branch transmits copies of the community survey to the Division of Contract Distribution together with a letter of certification. Through its engineering and technical staff, the Division of Contract Distribution analyzes the defense potential of the plants or industries involved and recommends a remedial program to the armed services."

In October, he told the committee, the Contract Distribution Division's branch offices arranged a total of 538 prime contracts and 1,615 subcontracts, totaling \$178,658,529, as compared with \$139,700,000 in September and \$97,000,000 in August.

Conversion for defense is main problem

Nehemkis said the development of programs for the conversion of plants and industries from civilian to defense production was paramount among the division's responsibilities; and that this problem was complicated by the fact that, although conversions take time, plants have already begun to shut down for lack of materials for nondefense production.

"No one can predict with any degree of accuracy the trend of 'priorities unemployment,'" he continued. "Some estimates indicate an unemployment of 2,000,000; others believe the figure will run even larger.

"For a considerable sector of business there would appear to be no other alternatives except to convert or perish.

"Moreover, because we have been late

in drawing our blueprints for the large-scale conversion of heavy and light industry, there is bound to be a certain amount of suffering. What must be done will now have to be undertaken under far more adverse conditions and with greater hardships than if we had our master blueprints ready."

Financing report under way

Reporting that 40 percent of defense subcontractors have a submarginal credit rating and would therefore experience difficulties in obtaining credit from normal banking channels, Nehemkis said:

"The division is now preparing a comprehensive report on the entire problem of financing and conversations are now taking place between representatives of the division and governmental officials and private banking executives to the end that a practical, remedial program may be evolved."

New legislation drafted

He said that Director Odum had been convinced that legislation was essential to overcome certain legal impediments which stood in the way of the armed services carrying out the terms of the Executive order establishing his division and directing it to help small business participate more fully in the defense program.

"Existing legislation, for example, makes it impossible for the Navy to award a regional contract if there is a responsible low bid from outside the region," Nehemkis said. "Further, bonding requirements have also served as a deterrent to the participation of the smaller enterprises despite the fact that the armed services have endeavored to the fullest extent possible to liberalize their requirements."

A draft of new legislation is now before the Bureau of the Budget, he added, for approval prior to its submission to the Congress.

Nondefense facilities being inventoried

Nehemkis said the division had records regarding the facilities of some 40,000 manufacturing plants but that these represented "only a fraction of the vast sea of available but unused plant and tool capacity of America."

"We have yet to learn the extent of our potential producing power," he continued. "Accordingly, we are undertaking in every part of the Nation an inventory of facilities not being used for defense work."

Declaring that spreading defense work would have to be done on a "hit or miss" basis until "shopping lists" of all the mil-

Muskegon, Mich., facing severe unemployment certified to War, Navy, for defense orders

The Office of Production Management recommended November 27 to the War and Navy Departments that additional defense orders requiring a minimum of 2,250,000 man-hours of work be placed in the Muskegon, Mich., area as soon as possible.

This recommendation was based on investigations by the Labor Division and the Contract Distribution Division as to unemployment in the area and on a study by the Contract Distribution Division as to the area's defense production potential.

Certified to War and Navy Departments

As a result of these inquiries, the OPM certified Muskegon to the War and Navy Departments as an area facing severe unemployment due to shortages of materials for nondefense production. Qualified plants in areas so certified are entitled to special consideration in the placing of defense work, under procedure agreed to by the OPM and the armed services to relieve distress and prevent dispersal of working forces useful to the defense program.

The certification said that labor displacement in the area due to lack of materials for nondefense work might run as high as 5,400 workers by the end of November.

The urban area of Muskegon includes Muskegon Heights and North Muskegon, with a total 1940 population of 65,438 and a total employment of about 23,600.

Further reductions in prospect

Data on 50 manufacturing establishments in the area which employed 22,619 persons in August 1941 showed that their employment had declined to 18,387 during October and that further reductions were in prospect.

Concerns associated with the automotive industry normally account for 40 percent of the employment in the area.

itary items required but not yet ordered were available, he said that such lists are now in preparation.

Special tour yields information

Nehemkis gave some initial reports from the three special trains now touring the country with samples of needed defense equipment and parts.

During the first 5 days of the trains' operations, he said, 7,490 manufacturers

It was estimated that employment in these firms would decline from 9,176 in August to 7,005 on December 31 unless remedial steps were taken.

Contracts recommended for area

To prevent unemployment and to utilize the community's productive facilities, the OPM recommended that the War and Navy Departments give consideration to the placing of contracts, "to the extent practicable and in accordance with good manufacturing practice," to firms in the area with suitable facilities.

The OPM recommended that attention be given to awards involving, among many other items, airplane, tank, tractor, and truck engines; bomb flares; gun mounts and turrets; tank treads; gas mask parts, and airplane instrument panels.

Attention was recommended also to awards involving metal stamping, forming, punching, and welding; woodworking; painting; grey iron, steel, or semi-steel castings up to 1,000 pounds; the moulding of plastic materials; and assembly of various items.

Recommended steps not all

Pointing out that the recommended remedial program was not intended to be exclusive, the OPM said that procurement officers of the War and Navy Departments should be requested to take such other measures as they deem feasible.

Muskegon was visited earlier last week by one of the special trains being sent around the country by the Contract Distribution Division, in cooperation with the Army, Navy, Marine Corps, Maritime Commission, Treasury, and Priorities, and Labor Divisions of OPM. Aboard this train Muskegon manufacturers were able to examine first-hand thousands of samples of needed defense equipment and parts.

visited the specials to inspect the various military items. At Wilmington, Del., for example, the Navy Bureau of Aeronautics found 17 sources of supplies for which difficulties had developed, he added; and as a result of the visit to Providence, R. I., it appeared likely that from 4,000 to 6,000 jewelry workers' jobs might be saved by employment on the fabrication of heavy needles and aircraft tie rods for the Navy.

Odlum names Alex Taub to direct conversion of factories to defense work

Alex Taub, Pontiac, Mich., engineer, who served on the British Mechanization Board for trucks, tanks, and engines in 1939 and 1940, November 27 was appointed by Floyd B. Odlum, Director of the Contract Distribution Division of OPM, to be chief of the division's conversion section.

Mr. Taub will direct the development and execution of programs for the conversion of additional industries from nondefense to defense production.

Served with Hillman

He has served with OPM since July 1941, when he became chief technical consultant of the automotive branch to assist in shifting more of the automobile industry's facilities from passenger car to defense production. Associate Director General Hillman later designated him as a special consultant to assist on technical problems involved in the program to spread defense work and alleviate the effects of unemployment caused by shortages of materials for nondefense work.

A native of England, Mr. Taub has been a naturalized United States citizen since 1920. He started as a machinist in an automobile plant in 1908, served as draftsman in the Ford Motor Co. and as a designer at the Packard Motor Co. From 1917 to 1936, he held various engineering positions with General Motors and was in charge of the central office on engineering for General Motors from 1920.

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New field offices opened to help manufacturers

Opening of three additional field offices to help qualified manufacturers obtain defense work was announced last week by the Contract Distribution Division of OPM, bringing above 70 the total number of such offices now operated by the division.

The new offices and their addresses are:

Evansville, Ind.—Coenig Building, 112 North West Fourth Street.

Miami, Fla.—514 Congress Building.
Toledo, Ohio—519 Spitzer Building.

TRANSPORTATION . . .

October truck freight set new record, report to Commissioner Budd reveals

Following a normal seasonal trend, the volume of revenue freight transported by motor truck in October increased 6.9 percent over September to reach a new all-time peak, according to a report furnished Ralph Budd, Transportation Commissioner, by the American Trucking Associations. The October volume represented an increase of 19.9 percent over October 1940.

Comparable reports were received from 201 motor carriers in 39 States. The reporting carriers transported an aggregate of 1,696,423 tons in October, as against 1,586,389 tons in September, and 1,414,910 tons in October 1940.

Almost 85 percent general freight

Almost 85 percent of all tonnage transported in the month was reported by carriers of general freight. The volume in this category increased 5.2 percent over September, and 22.0 percent over October of the previous year.

Transporters of petroleum products, accounting for almost 6 percent of the

total tonnage reported, showed an increase of 4.4 percent over September, and an increase of 36.8 percent over October 1940.

Sharp rise in movement of new autos

Movement of new automobiles and trucks constituted approximately 2½ percent of the total tonnage reported. Tonnage in this class, continuing to rise sharply following factory shutdowns for model changes, increased 129.3 percent over September, but remained 9.9 percent under October of last year.

Haulers of iron and steel products reported 4 percent of the total tonnage. The volume of these commodities increased 33.6 percent over September, and held 32.0 percent over October 1940.

Almost 4 percent of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials, cement, and household goods. Tonnage in this class decreased 8.2 percent under September, and declined 18.6 percent under October of last year.

HOLIDAY AND COAL STRIKE REDUCE CARLOADINGS

Revenue freight carloadings for the week ended November 22 totaled 799,386 cars, an increase of 9.0 percent over the corresponding week in 1940 when loadings totaled 733,488 cars, but a decrease of 84,453 under the previous week when loadings totaled 883,839 cars. The more than seasonal decrease was due to the Thanksgiving holiday and the loss in coal production.

The details follow:

CARLOADINGS—WEEK ENDED
NOVEMBER 22

	1941	1940	Percent increase
Grain and grain products..	41,022	33,323	23.1
Livestock.....	13,201	15,819	16.5
Coal.....	130,243	141,958	8.3
Coke.....	11,638	12,199	4.6
Forest products.....	39,725	39,083	1.6
Ore.....	55,027	40,285	36.6
Merchandise l. c. l.....	141,257	140,219	.7
Miscellaneous.....	367,273	310,602	18.2
Total.....	799,386	733,488	9.0
Cumulative—(47 weeks)....	38,372,915	32,911,414	16.6

¹ Decrease.

Shreveport, La.—916 Giddens Lane Building, Milan and Marshall Streets.

Manufacturers in and around these cities are invited to take or send to the new Contract Distribution Division offices information as to the equipment of their plants and the types of products they now make or have made in the past. Owners of factories qualified to do defense work will be given engineering assistance and directed to the Government procurement offices or to defense contractors who have defense work that they might do.

Terry and Lind in Ohio

The division also announced the appointment of Charles Terry to be State director of its field organization in Ohio and Herman Lind to be chairman of the State Advisory Committee of Ohio. The advisory committee will consult and advise with Mr. Terry.

Both Mr. Terry and Mr. Lind have been with the Cleveland office of the Contract Distribution Division previously in different capacities.

Budd reviews 18 months of transportation for defense, regards future

In an article prepared for the December issue of "The Military Engineer," Journal of the Society of American Military Engineers, Ralph Budd, transportation commissioner, discusses "Eighteen Months of Defense Transportation."

Excerpts follow:

Defense organization has undergone a metamorphosis since the summer of 1940 which is a story of repeated expansion of the program time and time again, and the adoption of Lend-Lease by which we extend aid to foes of Nazi aggression. Material shortages have developed from which came the necessity for more governmental supervision over our economy in the form of priorities favoring defense production and restriction in nondefense fields.

How demands were met

Up to the present time, the internal transportation agencies of the country have met the demands upon their services. Many times the question has been asked why this is so. Particularly is the query made by those who recall the transportation difficulties during the World War. There is no single answer but a series of facts are of more or less equal importance in the final result.

We entered upon the defense program with a surplus of transportation facilities taken as a whole. The years since the World War had witnessed phenomenal improvements in our highway system, and extensions of pipe lines for moving petroleum, petroleum products and natural gas (the latter replacing a heavy tonnage of coal which formerly moved on the railroads); rivers and canals were modernized and commercial operations upon them increased.

While the railroads had, by reason of long-continued business depression and the loss of traffic to other agencies, reduced their supply of cars and locomotives, they still had more than were needed for the traffic then being handled. The railways, moreover, had spent more than 9 billions of dollars since 1933 in improving their properties and their capacity per unit had been greatly enlarged. What is perhaps equally important, they had the benefit of the experience in the World War and knew how to prevent congestions such as then occurred.

Defense traffic is like civilian

Another consideration is that transportation for defense has been quite like

that for ordinary civilian purposes. Extensive retooling and adjustments had to be carried out to make manufacturing plants suitable for defense work and in many instances, as with ordnance particularly, entire new plants constructed; but the products of these plants, when offered for shipment, are handled generally with the same equipment and in the same trains, trucks, boats or barges, as other traffic. . . .

Whatever may be the ultimate outcome so far as transportation and National Defense are concerned, the history of our defense effort when it is finally written will show that for the first year and a half, the transportation demands were met without serious shortages.

Some tasks too great

I have said before, and will repeat that it would be rash to assert that the transportation industry can handle any load which might be put upon it. For example, the present railroad facilities could not take on all of the oil and gasoline movement which is handled by tank ships from the Gulf to the Atlantic Coast States; they could not now take on the tremendous ore volume which the lake boats handle or all the coastwise coal movement from Hampton Roads to New England.

On the other hand, the railroads have handled without difficulty a considerable volume of transcontinental traffic which formerly moved by boat through the Panama Canal, and they are assisting in meeting the deficiency in oil transportation caused by the diversion of tankers from the Gulf-East Coast service. During the early part of October about 150,000 barrels daily of oil and products were moved into the East by rail where a short time ago none was so moved.

Future volume uncertain

What direction the graph of carloadings will take in the future is of paramount importance. Our interest in it is because we need to know the amount of transportation for which provision should be made. Unfortunately, there is no way of determining with any degree of accuracy whether the graph will continue to rise, and for 1942 will be as far above 1941 as 1941 has been above 1940, or whether the leveling off process which has taken place during the last few weeks will persist for some considerable time.

Forecasts have been made by the Bu-

reau of Research and Statistics of the Office of Production Management that 51 million carloads of freight will be offered for handling in 1942. That would be an increase of about 20 percent over 1941. It is based on the defense program, including Lend-Lease, and the probable effect on civilian purchasing power of the large pay rolls.

Lag may be short

Those who think the leveling off process will continue, believe that adjustments due to shortage of materials are being felt seriously in civilian production, and that until some plants, which cannot obtain material for their ordinary lines, become active in defense work, there will be such a lessening in output on their part as to reduce appreciably the total traffic of the country. It is important to keep in mind that this lag may be of relatively short duration. It seems certain that the enlarged capacity of farms, smelters, and mills will result in a corresponding increase in total volume of traffic, although such increase will come somewhat gradually because of the length of time required to increase the capacity for making steel. It is estimated now that about 3 million tons more steel will be rolled in 1942 than in 1941, and that larger smelting and rolling capacity up to 10 million tons annually may be available during part of the year 1943.

In view of the uncertainty, and disagreement of experts, there seems but one wise course for those who are responsible for transportation, and that is to prepare for the larger of the estimated requirements, rather than for the smaller

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MATS OF CHARTS

Mats of the pictorial statistics appearing weekly on the cover of DEFENSE are available in newspaper-column size, on request to Distribution Section, Division of Information, Office for Emergency Management, Washington, D. C.

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NAVY RECRUITING

(Week ended November 14)

Applicants accepted for first enlistment.....	1,953
First enlistments.....	749
Reenlistments, continuous service.....	28
Reenlistments under broken service.....	8

PURCHASES . . .

\$197,816,951 War Department contracts awarded November 20 to November 26

Defense contracts totaling \$197,816,951 were awarded by the War Department and Maritime Commission and cleared by the Division of Purchases, Office of Production Management during the period November 20 to 26, inclusive. Of this total Army contracts amounted to \$186,796,951, as compared with \$60,047,676 for the previous week. Maritime Commission contracts for the latest period amounted to \$11,020,000.

Construction contracts during the period amounted to \$27,040,146, ordnance \$119,631,187, aircraft \$14,374,693, equipment and supplies \$25,102,924, and ships \$11,668,000.

ORDNANCE

General Motors Corporation, Detroit, Mich. (for manufacture at Olds Motor Works Division, Lansing, Mich.; Chevrolet Motor Division, Detroit, Mich., and Flint, Mich.); shot; \$35,705,287.04.

Union Fork & Hoe Co., Columbus, Ohio; bayonets; \$548,049.64.

American Type Founders, Inc., Elizabeth, N. J.; parts for guns; \$715,043.81.

General Motors Corporation, Olds Motor Works Division, Lansing, Mich.; guns; \$2,768,300.

Bausch & Lomb Optical Co., Rochester, N. Y.; range finders; \$1,997,379.14.

Eastman Kodak Co., Rochester, N. Y.; range finders; \$1,966,124.

Firestone Steel Products Co., Akron, Ohio; metallic belt links; \$2,002,000.

National Stamping Co., Detroit, Mich.; metallic belt links; \$2,264,610.

Fedders Mfg. Co., Buffalo, N. Y.; metallic belt links; \$2,319,974.

Potter & Johnston Machine Co., Pawtucket, R. I.; chucking machines; \$536,910.

Cleveland Automatic Machines Co., Cleveland, Ohio; machines; \$528,440.

Chain Belt Co., Milwaukee, Wis.; guns; \$2,296,000.

Chicago Flexible Shaft Co., Chicago, Ill.; feed mechanisms; \$636,988.

Munitions Mfg. Corporation, Poughkeepsie, N. Y.; guns; \$4,266,000.

Duplex Printing Press Co., Battle Creek, Mich.; gun carriage parts; \$1,443,000.

Westinghouse Electric & Mfg. Co., Pittsburgh, Pa.; binoculars; \$1,230,348.20.

Ballard Co., Bridgeport, Conn.; lathes; \$593,300.

Landis Tool Co., Waynesboro, Pa.; grinding machines; \$621,054.

Iowa Transmission Co., Waterloo, Iowa; transmissions; \$9,842,000.

Parish Pressed Steel Co., Reading, Pa.; gun carriage parts; \$701,935.

Herschede Hall Clock Co., Cincinnati, Ohio; observation instruments; \$976,800.

Aetna Standard Engineering Co., Youngstown, Ohio; spring rammers; \$2,523,056.80.

Cummins Diesel Electric Co., New York, N. Y.; generating units; \$604,910.

Eastman Kodak Co., Rochester, N. Y.; telescopes; \$1,827,000.

International Diesel Electric Co., Long Island City, N. Y.; generating units; \$546,247.

Pittsburgh Plate Glass Co., Pittsburgh, Pa. (for manufacture at Ford City, Pa.); optical glass; \$600,000.

Westinghouse Electric & Mfg. Co., East Pittsburgh, Pa.; binoculars; \$803,000.

Continental Motors Corporation, Detroit, Mich. (for manufacture at Muskegon, Mich.); engines; \$5,087,284.29.

Westinghouse Electric & Mfg. Co., Mansfield, Ohio; shot; \$2,336,450.

Bethlehem Steel Co., Bethlehem, Pa.; projectiles; \$657,900.

Noblitt-Sparks Industries, Inc., Columbus, Ind.; chemical bombs; \$791,648.

General Motors Corporation, Oldsmobile Division, Lansing, Mich.; 75mm guns; \$2,278,000.

General Motors Corporation, Olds Motor Works Division, Lansing, Mich.; shot; \$3,105,000.

Crucible Steel Co., Harrison, N. J.; shot; \$3,144,582.

Motor Wheel Corporation, Lansing, Mich.; shot; \$1,505,000.

Auto Ordnance Corporation, Bridgeport, Conn.; magazines; \$532,646.19.

Wheland Co., Chattanooga, Tenn.; guns; \$9,067,270.

Mergenthaler Linotype Co., Brooklyn, N. Y.; range quadrants; \$1,030,128.54.

Mergenthaler Linotype Co., Brooklyn, N. Y.; telescopes; \$3,397,034.45.

Mergenthaler Linotype Co., Brooklyn, N. Y.; telescope mounts; \$857,619.29.

Autocar Co., Ardmore, Pa.; parts for half tracks; \$939,400.

Eaton Mfg. Co., Cleveland, Ohio; shot; \$2,355,000.

Armstrong Cork Co., Lancaster, Pa.; shells; \$782,467.86.

Easy Washing Machine Co., Syracuse, N. Y.; fuzes; \$750,000.

EQUIPMENT AND SUPPLIES

Pacific Mills, Philadelphia, Pa. (Mill: Lawrence, Mass.); 255,000 yds., cloth, serge, o. d.; \$800,700.

Guerin Mills, Inc., Woonsocket, R. I.; 400,000 yds., cloth, serge, o. d.; \$1,256,000.

Uxbridge Worsted Co., Inc., Uxbridge, Mass.; 200,000 yds., cloth, serge, o. d.; \$628,000.

Gera Mills (New Jersey Worsted), Garfield, N. J. (Mill: Passaic, N. J.); 220,000 yds., cloth, serge, o. d.; \$698,300.

Botany Worsted Mills, Passaic, N. J.; 1,500,000 yds., flannel, shirting, o. d.; \$2,955,000.

Pacific Mills, Philadelphia, Pa. (Mill: Lawrence, Mass.); 1,670,000 yds., flannel, shirting, o. d.; \$3,356,700.

Gera Mills (N. J. Worsted), Garfield, N. J. (Mill: Passaic, N. J.); 560,000 yds., flannel, shirting, o. d.; \$1,107,200.

The Bell Co., Worcester, Mass.; 270,000 yds., flannel, shirting, o. d.; \$531,900.

J. P. Stevens & Co., Inc., New York, N. Y.; \$650,000 yds., cloth, serge, o. d.; \$2,041,000.

J. P. Stevens & Co., Inc., New York, N. Y.; 700,000 yds., flannel, shirting, o. d.; \$1,379,000.

Stillwater Worsted Mills, Harrisville, R. I.; 200,000 yds., cloth, serge, o. d.; \$628,000.

Samuel Hird & Sons, Inc., Garfield, N. J.; 205,000 yds., cloth, serge, o. d.; \$643,700.

Forstmann Woolen Co., Passaic, N. J.; 180,000 yds., cloth, serge, o. d.; \$583,200.

Paragon Worsted Co., Providence, R. I.; 290,000 yds., cloth, serge, o. d.; \$910,600.

LaFrance Industries, Philadelphia, Pa.; 280,000 yds., cloth, serge, o. d.; \$816,400.

Collins & Alkman Corporation, New York, N. Y. (Mills: Roxborough, N. C., Downingtown, Pa., Philadelphia, Pa.); 500,000 yds., cloth, serge, o. d.; \$1,570,000.

William Whitman Co., Inc., Boston, Mass. (Mill: Lawrence, Mass.); 900,000 yds., cloth, serge, o. d.; \$2,826,000.

William Whitman Co., Inc., Boston, Mass. (Mill: Lawrence, Mass.); 800,000 yds., flannel, shirting, o. d.; \$1,576,000.

American Bleached Goods Co., New York, N. Y. (Mill: Sayles Bleachery, Saylesville, R. I.); 1,403,750 yds., cloth, cotton, o. d.; \$795,224.38.

SHIP CONSTRUCTION

MARITIME COMMISSION

Barnes-Duluth Ship-Building Co., Duluth, Minn.; eight coastal tanker vessels; \$4,160,000.
Lancaster Iron Workers, Lancaster, Pa.; four coastal tanker vessels; \$2,620,000.
Froemming Bros., Inc., Milwaukee, Wis.; four seagoing tugs; \$4,340,000.

WAR DEPARTMENT

Stephens Bros., Stockton, Calif.; offshore rescue vessels; \$648,000.

AIRCRAFT

Lockheed Aircraft Corporation, Burbank, Calif.; airplane parts; \$10,966,152.
The Trailer Co. of America, Cincinnati, Ohio; semi-trailers; \$1,759,065.48.
Butler Mfg. Co., Kansas City, Mo.; portable warehouses; \$1,649,476.

CONSTRUCTION

Vickers, Inc., Detroit, Mich.; additional plant facilities with necessary machinery and equipment; \$8,690,957.

Sanderson and Porter, New York, N. Y.; for the design of an arsenal for the manufacture and assembly of incendiary munitions; \$16,350,000. Pine Bluff, Ark.

James I. Barnes, Dayton, Ohio; construction of maintenance and command building, Patterson Field, Ohio; \$1,596,000.25.

Steinle Wolfe, Inc., Fremont, Ohio; construction of buildings, Erie Proving Ground, Ohio; \$503,189.

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President approves 1,167 new defense homes in 5 areas

President Roosevelt determined November 28 that a need exists for 1,167 homes for families of industrial defense workers and enlisted personnel in five localities, upon recommendation of Charles F. Palmer, Coordinator of Defense Housing.

In addition, the President approved provision of temporary accommodations for 750 families in five other localities.

Localities and the number of homes planned for each are as follows:

Permanent—Sacramento, Calif., 657 (200 of these units are dormitory accommodations); Sebring, Fla., 193; Guantanamo, Cuba, 110; Stamford, Conn., 200; and New York, N. Y., 7.

Temporary Shelter—Annapolis, Md., 50 trailers; Huntsville, Ala., 100 trailers; Weldon Springs, Mo., 200 portable cottages; Orange, Tex. (Beaumont-Port Arthur), 200 portable cottages; Massena, N. Y., 200 portable cottages.

OPM defines "minor" utility improvement, answers questions on maintenance order

The Office of Production Management on November 25 defined what is meant by "minor improvements" and "minor capital additions" for utility systems covered by Preference Rating Order P-46.

Under this order a preference rating of A-10 is assigned to supplies needed for repair, maintenance, and operation, and for "minor improvements" and "minor capital additions." This led to uncertainty among utilities as to what constituted "minor improvements" or "minor capital additions."

Amendment No. 2 to P-46, issued November 25 puts an end to the uncertainty by providing that a minor improvement or minor capital addition is an expenditure for material not exceeding \$1,500 in the case of underground connections, or \$500 for other capital additions. A job may not be split up in order to come within those limits.

Repair rules liberalized

Another clause in the amendment liberalizes the acquisition or withdrawal of supplies needed to repair property or equipment damaged by fire, flood, or other climatic occurrences.

Other provisions in the amendment clarify sections in the original order dealing with inventories and the replacement of condemned meters.

QUESTIONS AND ANSWERS

The following questions and answers have been issued by OPM in response to a number of requests for information concerning the original Preference Rating Order No. P-46, relating to maintenance, repair and operating supplies for utilities.

1. Q. Are bottled gas distributors covered by Order P-46?

A. Yes.

2. Q. Do the restrictions in paragraph (f) of the Order apply to materials acquired under a project rating or a Preference Rating issued on the basis of a PD-1?

A. No.

3. Q. Is material which a utility acquires without the use of the preference rating assigned by Order P-46 subject to the provisions of paragraph (f)?

A. Yes, with the exceptions set forth in 2.

4. Q. Is any allowance made in paragraph (f) of Order P-46 for the increase

in prices of materials over 1940 levels?

A. No.

Inventories at working minimum

5. Q. Does paragraph (e) (2) mean that deliveries of material to be used as operating supplies or for maintenance or repair cannot be obtained to build up stocks prior to the actual need for such material?

A. No. Inventories may be maintained at a practical working minimum.

6. Q. Do the terms "deliveries" and "withdrawals" include the value of material acquired under contracts?

A. Yes.

7. Q. Where material is acquired under contracts, how is the value of material determined?

A. In the case of contracts for work done on the Producer's property or premises, the value of the material shall be estimated, and in the case of all other contracts involving material, the contract price shall be taken as the value of the material.

8. Q. Does the term "deliveries" include material or equipment removed from the Producer's plant and placed in stores with or without repair?

A. No.

9. Q. Are materials issued and subsequently returned to stock, or materials transferred between storerooms of the same company included as deliveries and withdrawals under the provisions of paragraphs (f) (1), (2), and (3)?

A. No.

Materials sold or traded

10. Q. Are materials sold or traded to Suppliers or other Producers included as deliveries and withdrawals under the provisions of paragraphs (f) (1), (2), and (3)?

A. No.

11. Q. Are materials sold to customers (such as service pipe) included as deliveries and withdrawals under the provisions of paragraphs (f) (1), (2), and (3)?

A. Yes.

12. Q. Do the terms "deliveries" and "withdrawals" include materials charged directly to operating expense accounts or fixed capital accounts for minor additions without being cleared through stores?

A. Yes.

13. Q. Does the term "Inventory" in-

clude material on hand which is not carried in store's account?

A. Yes.

14. Q. Does the term "inventory" include materials acquired through a specific project rating of a Preference Rating issued on the basis of a PD-1?

A. No.

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Territorial towns added to defense housing critical areas

Five towns in Alaska, two in Puerto Rico, and one each in Hawaii and the Virgin Islands have been added to the defense housing critical areas list, it was announced November 26 by the Priorities Division.

The five Alaskan towns, where dwellings for defense workers will be constructed with the aid of priority assistance, are Anchorage, Fairbanks, Ketchikan, Kodiak, and Sitka. In Puerto Rico, Aquadilla and San Juan will benefit from inclusion in the list, as will Honolulu, T. H., and Charlotte-Amalie, V. I.

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NAVY SETS UP PRIORITIES COMPLIANCE SECTIONS

The Secretary of the Navy has ordered set up in all bureaus and offices of the Navy and Marine Corps a unit to be known as the priorities compliance section to deal with priority phases. The Secretary in his letter to the various bureaus and offices explained that the volume of preference rating certificates had become so great that it is necessary to decentralize the responsibility for effectively reviewing these certificates.

It was announced that starting November 25, each bureau and office would be responsible to the Army and Navy Munitions Board for the review and the administrative policing of preference rating certificates executed on its behalf.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

Acute demands call for allocation when priorities fail, says Nelson

In the second of a series of radio broadcasts on "What Price Defense," Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, was interviewed November 21 by Theodore Granik, chairman of the American Forum of the Air. The radio series is a public service feature presented over the Mutual Broadcasting System in cooperation with the Office for Emergency Management.

Excerpts from the broadcast follow:

Q. Before we get into the questions, tell us something of the functions of your office. Everyone knows of course that you are executive director of the Supply Priorities and Allocation Board. Just what are your duties?

A. SPAB has the job of controlling the distribution of our needed materials so as to insure that all our defense and essential civilian needs are met. That means we must make certain that none of these supplies are used for things the Nation does not need badly until all of our really vital needs have been met. And that of course means that we are obliged to restrict the amounts of certain things which the less essential industries may have in order that the more essential industries may have enough.

Trouble is shortages

Q. Well Don, suppose we start with this one. Many sound business men and economists are wondering how the country is going to stand up under the load of priorities that confront us at every turn. What is your opinion on that?

A. Priorities are not the trouble. Our trouble is shortages. Priorities are simply a means of controlling the shortages and keeping them from completely disrupting our whole economic system.

Q. Well, aren't those shortages a bit exaggerated?

A. Unfortunately the shortage of strategic metals and other critical materials is all too real. Last month our military demands for copper actually exceeded the total amount of copper produced in the United States during that month plus the amount brought in during the month from overseas. During 1942 there will be at least three customers for every ton of copper that can be sold to purely civilian industries, and two potential customers for each ton of steel.

Q. We've been told almost since the cradle, that America is the richest and most productive country in the world.

How do you reconcile that with the shortages that we are now experiencing?

A. We are the richest nation on earth—we have more than enough steel, copper and so on to meet all our defense requirements, astronomical as those requirements figures are. But here is the point: we do not have and never will have enough of those materials to meet defense demands and at the same time meet the demands of an unprecedented civilian boom.

Big increase in buying power

Q. How do you account for this great increase in consumer demand?

A. So far we have undertaken to spend 60 billion dollars on our defense program. As this money is spent, it filters down through our economy and is translated into buying power.

Q. I understand our national income now is around 95 billion dollars. Do you think it is going higher?

A. Yes, indeed! It is going higher daily. And that 95 billion that you mentioned means that the people's income today is higher even than in the great boom year of 1929.

Q. Well, isn't that all right, Mr. Nelson? It strikes me as being a good thing.

A. It would be a good thing if we did not have to put our defense requirements ahead of everything else. We cannot possibly hope to meet the demands of the world's largest armament program plus probably the greatest civilian consumer demand in all human history. Naturally, the civilian needs must go short.

Sore spots chiefly in metals

Q. What are the chief sore spots in this shortage situation?

A. They occur chiefly in metals—such as steel, aluminum, copper, tin, magnesium, and so on. There are shortages in many other things too, of course; in chemicals for example, in silk, and in other things.

Q. You included copper in your list of shortages. If I remember correctly, our production of this metal runs around 140,000 tons a month. That would make an awful big roll of telephone wire and would fill a good many kitchens with frying pans. Where does the defense program use so much of it? Or is that a military secret?

A. No; it is an open question, and a good one. Modern war is not merely fought on metals, it is fought on almost

limitless quantities of metals. Every bullet or shell that is fired—except for the largest calibre guns—is fired out of brass shell casing. Brass as you know is made largely of copper. You can't begin to equip an army and a navy unless you have ample stocks of copper, because otherwise your army or navy can't fire their guns. We are building a two-ocean navy; that calls for huge quantities of steel, the armor plate takes nickel, the machinery inside the ships needs steel and copper and other metals. We are building thousands of tanks . . . steel and copper again. We are building many thousands of airplanes; to do that we need more magnesium and aluminum than our entire economy was using a couple of years ago.

Q. There isn't enough to go around. I mean enough to satisfy both civilian and military needs.

A. Precisely.

Priorities system inadequate

Q. What do you do in a situation like that?

A. We do the common sense thing. We set up some form of control to make sure that where a material is scarce the demands which are most important to the Nation are met ahead of the demands which are less important.

Q. In other words you impose priorities?

A. That's right! Priorities are simply a means of making first things come first. Defense orders are put ahead of civilian orders.

Q. How are priorities working? Is that system adequate?

A. I'm afraid not. For that reason the Supply Priorities Allocation Board last week announced that as rapidly as possible we shall move into a method of allocating the critical materials.

Allocate when priorities fail

Q. Meaning just what?

A. Meaning this. Allocation is another method of controlling the situation. Roughly, you allocate a material when the supply-demand situation has become so acute that simple priority ratings won't cover it any longer. Let me explain it this way: where you have almost enough of a given material to go around, you can make out pretty well by rating the various orders of that material in the order of their importance. But where you do not have nearly enough to go around, you can't meet the problem just by rating the comparative importance of the different orders, simply because if you try to, a number of important orders

won't get filled at all. So then, you go into allocations.

Q. And just what are allocations?

A. Well, I'd say, and I'm speaking in very general terms, it is a system whereby you apportion out a scarce material, industry by industry, and in some cases factory by factory.

Q. It looks to me like you have taken on some more headaches. How are you going to handle these allocations?

Over-all planning involved

A. The precise method of administrating this new allocations system isn't fully organized yet. In general, however, it involves over-all planning and detailed knowledge of all the Nation's requirements, both civilian and military . . . together, of course, with the best accounting you can get of the Nation's total supplies.

Q. That's a man-size job in itself.

A. It certainly is. You must start, of course, by getting a complete picture of military requirements, which then must be broken down in terms of raw materials. Then you can tell how much of any given scarce material must be set aside for military needs. What is left will be available for civilian industry.

Q. Then what happens? Is there a general scramble by the civilian industries for the leavings with a first come first served rule in effect?

Can't allocate on percentage basis

A. Oh no! That's where we come in with allocations.

Q. Well, how do you decide which industries get how much of the left-over materials? Will you apportion it on a straight percentage basis?

A. I wish it were that easy, but we can't do it that way. Let me explain why. Supposing we are going to have enough copper—to take an example at random—to meet one-third of the civilian demands. That does not mean that you simply cut every industry's allotment of copper to one-third of its demand and let it go at that.

Q. Wouldn't that be the fair way of doing it?

A. No, Ted, it wouldn't be fair to the Nation. You'll see my point if I explain this way. First, some industries are more important than others. Some industries you will not be able to cut at all. Here's what I mean. We must, of course, keep transportation, communications and power service going at a very high level for the obvious reason that our defense program can't function without them and also because reduction of those services would very seriously disrupt civilian life.

Consequently we may find it necessary to allocate on a much higher basis than one-third of requirements to such of the key industries. That will mean of course that other industries will have to get along on much less than one-third.

Many considerations involved

Q. How will you figure out what proportion an industry is to get?

A. That is figured on the strength of many considerations. Such as the relative scarcity of the materials involved; the amount of employment provided per ton of scarce material consumed; the kind of product which the industry makes . . . that is, whether it is something the country absolutely has to have; whether it is a necessity we could use in smaller quantities; whether it is merely a desirable item rather than a necessary one; or whether it is an out and out luxury. Also the extent to which the industry in question can be used to produce defense goods has an important bearing on the allocations.

Q. Now when you have decided the amounts of materials which an industry is to get, do you simply allot proportionate shares to all factories within that industry?

A. Not at all. There are other certain additional factors to be considered. Suppose you have two factories in a given industry. One in a large city, the other in a small town where there is no defense work. If you cut the operation of the big factory by 50 percent, the city itself suffers little, and the amount of defense work there makes it almost certain that the men who are thrown out of work will get new jobs. But if you cut the small town factory 50 percent, you may wreck the town and the men who lost their jobs may have a very hard time finding other work.

Some industries must face sacrifices

Q. Well, all that adds up to pretty stormy weather for civilian industries.

A. Unfortunately, that is perfectly true. We cannot insure our Nation's safety without asking for those sacrifices.

Q. Won't these allocations mean that some concerns will be forced out of business entirely?

A. A concern which makes things which the country can easily get along without, and which uses up comparatively large quantities of critical materials in proportion to the amount of employment it provides, is apt to have a difficult time of it. Yet I am confident that you can rely on the ingenuity and energy of the American business-

man to work out a solution in many such cases. Small business as an institution must be saved. I doubt if we can save all small businessmen but we'll do everything in our power to keep those cases at a low figure.

Q. Have you any idea as to how that might be done?

A. I think a good deal might be done by providing for the allocation of small amounts of critical materials to special "hardship cases." It will very often be possible to keep a nondefense factory from going out of business by diverting a small quantity of the needed metals to it.

Q. What is your advice to the small concern that you can't help?

A. Well first, the individual manufacturer should do all he can to help himself. He may find that he can shift away from critical materials to some substitute material which is not scarce. He may find that he can turn from the production of nonessential goods to the production of something which is really needed by our civilian economy.

Q. Just one more question Don, what are you going to do with the dollar the Government pays you for your year's work?

A. I think I'll invest it in defense stamps.

Q. Excellent Mr. Nelson, and thank you.

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Several orders on iron, steel are extended into 1942

General preference orders affecting pig iron, steel, steel warehouses, and special kinds of iron and steel were extended on November 25 to December 31, 1942, by the acting director of priorities. All of them had been scheduled to expire November 30, 1941.

Most important of these orders is General Preference Order M-21, which puts steel under priority control.

General Preference Orders M-17, M-21-a and M-21-b, which are also extended, cover pig iron, alloy steels, and steel warehouses. The orders also apply to inventories of any of these materials.

Another order extended November 25 is Preference Rating Order No. P-31, which assigns limited blanket ratings of A-1-b and A-1-c to orders for certain materials essential to the operations of manufacturers of foundry equipment and repair parts. This order was extended to May 30, 1942.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Billion and a half being concentrated on Lend-Lease farm products, says SMA chief

"In the present war emergency overconfidence should be given a holiday," declared Roy F. Hendrickson, administrator of the Surplus Marketing Administration of the Department of Agriculture, in an address before the National Fertilizer Association Convention at Atlanta, Ga., last week.

\$500,000,000 spent

Discussing food supply responsibilities brought on by the war emergency, Mr. Hendrickson said farm production and marketings in the next crop year will be the largest in this country's history.

A billion and a half dollars is being concentrated on the purchase of agricultural commodities for Lend-Lease shipment, Mr. Hendrickson said. Lend-Lease expenditures for farm products have already exceeded the \$500,000,000 mark. Buying and contracting are being continued, and this will require another \$500,000,000 by the end of February. A third \$500,000,000 of appropriated funds is in a sense already pledged so that farmers can safely continue increasing the production of needed commodities which will be coming from farms and feedlots after March 1.

1,600,000,000 pounds shipped

Pointing out that increased supplies of agricultural commodities are coming through on schedule, Mr. Hendrickson revealed that from the end of last April to October 1, Lend-Lease shipments of agricultural products to Great Britain exceeded 1,600,000,000 pounds, much of it in the form of concentrated food-stuffs.

Speaking about the home front, Mr. Hendrickson said that while consumer buying power has increased with the rise in employment resulting from national defense activities, more than 10,000,000 persons still are dependent on public aid and cannot get the food they need for an adequate diet. Department of Agriculture distribution programs, such as free school lunches, the Food Stamp Plan, and low-cost milk for children, he said, "are a partial answer to our modern paradox of want in the midst of plenty. They point to the possibilities of more complete answers."

"Such programs," Mr. Hendrickson explained, "provide farmers with a wider market that helps to bring a fair return on their full production. At the same time they get more food to people who simply cannot afford to buy an adequate diet After the present emergency passes and we come face to face with some terrific needs for adjustment, these distribution programs will be of great importance to national welfare."

More dry skim milk needed for Britain; dried egg production capacity is ample

With heaviest needs for dry skim milk still ahead, the Department of Agriculture reported November 25 that further sharp increases in its production would be necessary in order to meet requirements for lend-lease shipment.

A total of 200,000,000 pounds of dry skim milk is required in present goals for shipment to Great Britain under the Lend-Lease Act. Supplying this amount means a 40 to 50 percent increase in total dry skim milk production in the United States. At present total dry skim milk production is nearly 10 percent above production at this time last year. Some increase in the supply of dry skim milk for human consumption has been brought about through diversion of skim milk supplies from manufacturing for animal feed.

At the same time, the Department of Agriculture reported that facilities for producing dried eggs for lend-lease shipment are now more than ample to meet requirements, and further expansion of this industry is not desirable. Estimated full-time egg-drying capacity on November 1 approximated 167,000,000 pounds of dried eggs annually, compared with an annual full-time capacity of 40,000,000 to 50,000,000 pounds last spring before expansion became necessary.

"Early last spring we estimated that dried egg production would have to be increased to approximately 114,000,000 pounds annually in order to meet our expanded domestic needs and requirements for lend-lease shipment to Great Britain," Dr. E. W. Gaumnitz, associate administrator of the Surplus Marketing

Administration said. "Through expansion of existing facilities and priority allocations for new plants and equipment, adequate production capacity was obtained by September 1, after which no further encouragement was given by the department for added expansion. Since September, excess dried egg production capacity has been brought about principally by milk driers."

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Need to build up milk supplies

"In view of the scarcity of metals and other materials required for defense purposes, and the fact that there is now more than ample capacity to produce all of the dried eggs that are needed, further expansion is not desired. In fact, facilities which have been converted for the drying of eggs should be restored to their use for manufacturing dried skim milk. Otherwise they may be contributing to a possible surplus of dried egg products which may have a serious repercussion on the poultry industry as a whole. The need for increasing the production of dried skim milk is great, and every effort should be made to build up these milk supplies rather than use milk-drying facilities for the production of more dried eggs than may be required."

From March 15 through November 15, the Department of Agriculture bought slightly more than 29,800,000 pounds of dry skim milk and 32,900,000 pounds of dried eggs. These purchases, primarily for lend-lease shipment, were made through the Surplus Marketing Administration.

LABOR . . .

New low reported in strikes "primarily" affecting production for defense

A new low in number of strikes of primary defense significance and workers involved therein since the beginning of the regular weekly OPM release on defense strikes (October 25, 1941) was reported November 29 by the Labor Division of OPM.

Three stoppages (involving 1,700 workers) were directly affecting the defense program on the 29th, according to the Labor Division's statement. Twelve other strikes (covering 3,500 persons) were current in plants with Army, Navy, or United States Maritime Commission contracts, but these were considered of minor importance. The three significant cases were:

Atlas Drop Forge Co., Lansing, Mich.—(Forgings for tanks and airplane parts). A tentative agreement has been reached, subject to ratification, for settlement of all issues and resumption of production. The 700 members of UAW-CIO went on strike on November 19 over a new contract and wage increases.

Breckinridge Machine Co., Cleveland, Ohio—(Shell turning machines and turret lathe work). Wages and union security are the issues involved in the strike of 290 members of the UAW-CIO, who ceased work on November 17. A Federal conciliator is conducting separate meetings of the parties in an effort to adjust the case.

Republic Aircraft Co., Detroit, Michigan—(Aircraft parts). Joint conferences are continuing with the participation of a Federal conciliator and OPM labor consultant in the dispute over wages involving 750 members of the UAW-CIO who struck on November 22.

Work resumed in seven primary cases

The Labor Division also reported that with the assistance of the various Government agencies, 10 threatened strikes in industries of importance to the defense program (affecting 17,400 persons) were averted and work was resumed in 7 primary defense stoppages (involving 64,300 workers) during the week. These 17 cases (81,700 workers) were:

ADJUSTED WITHOUT STOPPAGE

Acme Rubber Co., Trenton, N. J.
American Radiator & Standard Sanitary Co., Pittsburgh.
American Smelting & Refining Co., Perth Amboy, N. J.
American Telephone & Telegraph Co.

(long lines department), New York City.
Anaconda Wire & Cable Co., Muskegon, Mich.

Broderick Co., Muncie, Ind.
Cooper Bessemer Plant, Mt. Vernon, Ohio.

Federal Mogul Co., Detroit.
Stevedore & Shipping Companies, New York City.

Tube Reducing Co., Wallington, N. J.

RESUMPTION OF WORK

Bulova Watch Co., Woodside, L. I.
Burgess Battery Co., Freeport, Ill. (negotiations continuing before NDMB).
Captive Mines (dispute being arbitrated).

Cash Value Mfg. Co., Decatur, Ill.
Columbia Steel Co., Pittsburg, Calif.
Great Lakes Towing Co. (Johnson Tug Line), Buffalo, N. Y.
St. Louis Machinists.

Booklet describes ship labor stabilization agreement

The Labor Division, OPM, issued on November 25 a 22-page pamphlet, "Ships for Freedom," telling how, with the cooperation of workers, management and Government, an industry-wide program has been developed to bring labor stability to the shipbuilding industry.

The pamphlet, which contains a foreword by OPM Associate Director General Hillman, reviews the organization and work of the shipbuilding stabilization committee and contains a summary of wage and other working agreements made throughout the industry.

Copies of "Ships for Freedom" may be obtained from the Division of Information, Office for Emergency Management, Social Security Building, Washington, D. C.

255,000 workers scheduled to be hired and 67,000 laid off, November 1 to March 1

Federal Security Administrator Paul V. McNutt announced November 26 that more than a quarter million additional workers are scheduled to be hired by March 1, while 67,000 are expected to be laid off, in the 9,900 defense manufacturing plants whose labor needs are regularly surveyed by the Bureau of Employment Security of the Social Security Board, and its affiliated State employment services.

More than 70 percent of the expected lay-offs were reported by auto and auto equipment companies. However, the net reduction in employment in this industry will probably be considerably smaller, Mr. McNutt said, since these same companies scheduled more than 10,000 new hires for September and October, and an additional 10,500 during the 4 months ending March 1.

Many to be hired on release

Mr. McNutt explained that the paradox of such large numbers of both hires and lay-offs within the industry is probably due to the expected hiring of workers for tank, truck, aircraft, and airplane parts production at the same time that workers ordinarily engaged in auto production will be released.

Industries producing iron and steel and their products expect 24,800 new hires and 7,000 lay-offs during the four months ending March 1. Tire and inner tube, and industrial rubber goods plants anticipate small net reductions in employment. In the case of iron and steel, Mr. McNutt attributed most of the expected lay-offs to restrictions on the manufacture of nondefense consumer goods which require the use of iron and steel in their processing.

Types most in demand

Almost one-third of the total number of workers to be taken on will be needed in four States—Michigan, New York, Ohio, and Pennsylvania—centers of the iron and steel and nonelectrical machinery industries.

Among skilled workers, the types most in demand will be machine shop machinists, arc welders, and aircraft sheet metal workers. In the semiskilled group, the greatest need will be for detail assemblers and riveters for the aircraft industry. Among the unskilled occupations, the demand is expected to be heaviest for process laborers in ship and boatbuilding and repairing, machine shop work, and aircraft manufacturing.

HEALTH AND WELFARE . . .

Drive for better nutrition is reaching communities all over U. S., reports show

The campaign for better nutrition is reaching into communities and homes all over the country, according to reports to the nutrition division of the Office of Defense Health and Welfare Services.

Reports from State nutrition committees for defense show how the newer knowledge of nutrition is being adapted to the needs of particular localities:

NEW YORK STATE

From November 20 to December 3, the New York State nutrition committee is sponsoring a Nutrition Fortnight. All agencies in the State whose work has any bearing on food problems are taking an active part. Group meetings are being held in all counties to stimulate interest in better nutrition. Speakers, news releases, exhibits, and local radio programs explain the nutrition program and give specific information as to what community groups and individuals can do to improve their own and the Nation's health through better food.

LOUISIANA

All the parishes in Louisiana are organized for better nutrition. The State nutrition committee has developed an "eating score card" which makes it easy for individual families to compare what they do eat with what they should eat. This card is distributed in the school and parent-teacher associations throughout the State.

Special work is being carried on to encourage the use of native foods which have high nutritive value. Such locally grown products as sweetpotatoes, rice and rice polishings, greens of all kinds, and natural molasses have valuable food elements whose use can greatly improve the diet of many Louisiana families.

KANSAS

The community nutrition program of Wichita, Kans., is reaching to the homes of all income groups in the city. Local health, welfare, and civic agencies, merchants, and interested individuals are all working together with the county nutrition committee to see that every home in Wichita improves its food habits.

Adult classes on how to secure, prepare, and eat the right foods are held

throughout the city. Special classes are held for women who run boarding houses for the men who work in the nearby aircraft factories. Classes for Negroes and other groups adapt nutrition information to their particular needs.

Grocers show exhibits which remind their customers to buy their groceries with an eye on their food values.

In cooperation with the Surplus Marketing Administration and the WPA, local groups sponsor free school lunches in schools throughout the city.

NEVADA

The State nutrition committee of Nevada has made a family-by-family survey of food needs. They have discovered that for milk, butter, meat, and eggs the average consumption is equal to or better than that set as a national standard. They found, however, that Nevada's average was below good nutrition requirements for fresh vegetables and fruits. The State nutrition program has consequently been directed toward increasing the amounts of these in the diet.

A "Keep Growing" campaign for better nutrition had been carried on in Nevada for some years previous to the present defense effort. This program has been augmented and speeded up.

FLORIDA

County nutrition committees are encouraging families on farms and in villages to produce and conserve food for home use. Home and community gardens and canning are producing food, protecting the health of the family, saving money and relieving transportation.

The State nutrition committee has furnished each county chairman with a complete manual which outlines the aims and purposes of the home gardens and food conservation program and makes specific suggestions as to how this program can be adapted to county and local needs.

VERMONT

Several county nutrition committees in Vermont have made sample surveys to show homemakers what they need to know in order to feed their families ade-

quately. These surveys have aroused a desire among the housewives to learn more about how to cook food properly, what are the best buys at the market, and how they can raise more foods for home use.

Surveys also revealed a need for consumer education. One study of 300 women revealed that only 91 knew what "enriched" flour and bread were, though 225 of them were actually buying it every day from their grocers.

UTAH

Working closely with the security program of the Church of the Latter Day Saints, the State nutrition committee in Utah is stressing the importance of better nutrition for defense.

On November 15 an Annual Health Day mass meeting was held. Two thousand people attended the meeting, principal emphasis of which was on nutrition. Dr. Helen S. Mitchell, from the nutrition division of the Office of Defense Health and Welfare Services, spoke.

CALIFORNIA

Los Angeles County held a luncheon meeting on November 12 to launch its county nutrition program. Five hundred leaders of professional and lay groups attended. A typical noon Army menu was served. It was analyzed for its nutritive value to illustrate to those present the functions of specific foods in building health.

A county nutrition committee was appointed, with the county health officer as chairman, to develop and carry out a thorough nutrition program for Los Angeles County, which is rapidly expanding with defense activity.

MASSACHUSETTS

The State Nutrition Council of Massachusetts cooperated with the *Springfield Union* in carrying on an intensive newspaper campaign for better nutrition in western Massachusetts.

Large advertisements calling attention to the "Eat Right to Keep Fit" campaign were published for three days before the campaign started.

Such questions as "Are you a Blitz luncher?" "Can you pack pep in a lunch box?" "Do you know what to eat? Do you know how to get it?" were answered in featured articles which the *Union* ran every day for two weeks.

Many other communities in Massachusetts have local action programs in operation.

2,339 defense homes completed in week, Palmer announces

Defense Housing Coordinator Palmer announced November 27 that 2,339 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 22 making a total of 53,796 now ready for occupancy.

With 235 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 105,527.

Federal funds have already been allotted for 125,299 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,532. Since January of this year 196,709 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 6,353.

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Howard Acton appointed special assistant to Palmer

Charles F. Palmer, Coordinator of Defense Housing, announced November 24 the appointment of Howard Acton as special assistant to the coordinator. Mr. Acton has been director of public relations for the Federal Home Loan Bank Board for the past 5 years and prior to that was engaged in public relations work in New York City.

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Radio time donated for defense information

The Division of Information, Office for Emergency Management, announced November 24 that the Proctor & Gamble Co. of Cincinnati, Ohio, has donated time on its four daytime serial radio programs to aid the OEM in informing the public about the defense program.

Such problems of interest to the public as nutrition, health, prices, salvage campaigns and participation in the civilian defense program will be discussed on the "Vic and Sade," "Against the Storm," "Ma Perkins," and "The Goldbergs" programs, starting December 5.

Spot announcements will be used, as well as personalized talks by the leading characters in these programs.

First recreation centers for service men dedicated at Fayetteville, N. C.

Completion of construction on the first two of several hundred service men's recreation centers was observed in Fayetteville, N. C., November 28, Federal Security Administrator Paul V. McNutt, director of Defense Health and Welfare Services announced. The two buildings, Mr. McNutt said, provide comparable services for white and for Negro enlisted men.

The opening ceremonies are under the auspices of the Fayetteville Defense Recreation Council, of which William M. Shaw is chairman. Mayor McFadyen represented the city, and Governor Broughton sent an official representative.

Three agencies represented

Out-of-town guests scheduled to speak at the ceremony included Gen. Brehon Somervell, Charles P. Taft, assistant director of the Office of Defense Health and Welfare Services, Mark McCloskey, director of its recreation division, and Harper Sibley, president of the USO. All have an active interest in the service centers, because of the cooperative arrangement under which these recreation facilities are provided.

Under the Community Facilities Act, the President designated the Office of Defense Health and Welfare Services as responsible for determining the location of recreation centers and supervising their operation. The Federal Works Agency, to which the act gave administrative responsibility, has assigned building operations to the Army. When the community needs additional assistance, the USO operates and staffs these recreation centers, under an agreement with the Federal Security Agency.

The Fayetteville centers dedicated November 28 are among the 273 new constructions and renovations now being built with Federal money through the Community Facilities Act. These centers are located in communities near army camps and naval posts in the insular possessions and foreign bases, as well as the Continental United States. Practically all of them will be finished by the first of the year.

18,000 population, 120,000 soldiers

A third recreation building is also nearing completion in Fayetteville. The town, with a normal population of about

18,000, is 10 miles from Fort Bragg, and is the center for soldiers' leave activities. Personnel stationed at the fort has increased from a small garrison force to nearly 70,000. During the present maneuvers, about 120,000 men are in the Fayetteville area. The number of soldiers in town during leave periods ranges from 8,000 to 20,000.

Other facilities fully used

The Fayetteville Defense Recreation Council, with the cooperation of the Federal Security Agency's recreation representative, has undertaken the responsibility of coordinating community recreation. Facilities in schools, churches, and private homes are being fully utilized, but local and Federal authorities agree the three new buildings are essential if the town is to carry on its community recreation program for service men.

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Motion picture to portray sound nutrition

Filming of a documentary motion picture on nutrition has been started in Hollywood, Federal Security Administrator Paul V. McNutt announced November 24. The film is a project of the Office of Defense Health and Welfare Services, OEM, of which Mr. McNutt is director.

Mr. McNutt stated that when the national nutrition program was announced, Swift and Company offered to finance a motion picture which would bring to the American people the story of sound health through sound eating. It was agreed that the film would be noncommercial in character and that the nutritional information presented would follow the best scientific knowledge and practice.

The nutritional data and the script are subject to approval by a committee of nutritionists headed by M. L. Wilson, assistant director of defense health and welfare services.

The film is being produced by the American Film Center, an educational organization supported by the Rockefeller Foundation, with the filming under the direction of Film Associates, Inc. It will be released early in 1942.

CIVILIAN DEFENSE . . .

17 groups discuss visit to England to study women's role in defense

Representatives of 17 national women's organizations met November 28 with Mrs. Franklin D. Roosevelt and Miss Eloise Davison, assistant directors of the Office of Civilian Defense, to consider acceptance of the invitation of the British Committee of Representative Women to send a selected group of 14 American women to Britain to study women's effort in national defense.

Mrs. Margaret Drexel Biddle, wife of the United States Ambassador to the governments in exile, realizing what it would mean to the people of the United States to have this first-hand information, made the suggestion of the visit to the British Government. The British approved the invitation.

After the discussions in which Mrs. Roosevelt and Miss Davison participated, the national representatives agreed to submit the invitation to their executive boards for consideration and to report back by December 10. Matters to be decided by the boards are the selection of their representatives and means of financing.

Visit expected to last 3 weeks or less

It is expected that the representatives chosen by the several organizations will spend not more than three weeks in Great Britain.

Miss Davison will be the first to leave, going late in December.

Following is the list of organizations and their representatives at the November 28 conference:

Education—(National Education Association) Miss Charl Williams; (American Association of University Women) Dr. Kathryn McHale; (National Congress of Parents and Teachers) Mrs. William Kletzer.

Nursing—(Red Cross) Miss Mary Beard; (Public Health Service) Miss P. M. McIver; (American Nurses' Association) Miss Julia Stimson.

Medicine—(American Women's Medical Association) Dr. Emily Barringer.

Home Economics, Nutrition, Child Care—(American Dietetics Association) Miss Mary Barber; (American Home Economics Association) Miss Edna Van Horn; (Bureau of Home Economics) Dr. Louise Stanley; (Children's Bureau) Miss Katharine Lenroot and Dr. Martha Eliot.

Welfare—(Welfare Agencies) Mr. Geoffrey May.

Labor—(National Women's Trade Union League of America) Miss Elizabeth Christman.

Farm—(Associated Country Women of the World) Miss Grace Frysinger.

General—(General Federation of Women's Clubs) Mrs. Sara Whitehurst; (National League of Women Voters) Miss Marguerite Wells; (National Council of Women) Mrs. Lucy Milligan.

Information Dissemination—(National Federation of Business and Professional Women's Clubs) Miss Louise Bache.

President proclaims December 15 as "Bill of Rights Day"

President Roosevelt on November 28 proclaimed Monday, December 15, 1941, as "Bill of Rights Day" throughout the Nation.

Text of the Proclamation follows:

WHEREAS a Joint Resolution of the Congress, approved August 21, 1941, authorizes and requests the President of the United States "to issue a proclamation designating December 15, 1941, as Bill of Rights Day, calling upon officials of the Government to display the flag of the United States on all Government buildings on that day, and inviting the people of the United States to observe the day with appropriate ceremonies and prayer":

Calls for appropriate ceremonies

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do hereby designate December 15, 1941 as Bill of Rights Day. And I call upon the officials of the Government, and upon the people of the United States, to observe the day by displaying the flag of the United States on public buildings and by meeting together for such prayers and such ceremonies as may seem to them appropriate.

The first ten amendments, the great American charter of personal liberty and human dignity, became a part of the Constitution of the United States on the 15th day of December 1791.

150 years of privileges

It is fitting that the anniversary of its adoption should be remembered by the nation which, for one hundred and fifty years, has enjoyed the immeasurable privileges which that charter guaranteed: the privileges of freedom of religion, freedom of speech, freedom of the press, freedom of assembly and the free right to petition the government for redress of grievances.

It is especially fitting that this anniversary should be remembered and observed by those institutions of a democratic people which owe their very existence to the guarantees of the Bill of Rights: the free schools, the free churches, the labor unions, the religious and educational and civic organizations of all kinds which, without the guarantee of the Bill of Rights, could never have existed; which sicken and disappear whenever, in any country, these rights are curtailed or withdrawn.

Day of mobilization for freedom

The 15th day of December 1941 is therefore set apart as a day of mobilization for freedom and for human rights, a day of remembrance of the democratic and peaceful action by which these rights were gained, a day of reassessment of their present meaning and their living worth.

Those who have long enjoyed such privileges as we enjoy forget in time that men have died to win them. They come in time to take these rights for granted and to assume their protection is assured. We, however, who have seen these privileges lost in other continents and other countries can now appreciate their meaning to those people who enjoyed them once and now no longer can. We understand in some measure what their loss can mean. And by that realization we have come to a clearer conception of their worth to us, and to a stronger and more unalterable determination that here in our land they shall not be lost or weakened or curtailed.

It is to give public expression and outward form to that understanding and that determination that we are about to commemorate the adoption of the Bill of Rights and rededicate its principles and its practice.

3,500 tons of steel in Tacoma Narrows Bridge to be "rescued" for defense

Approximately 3,500 tons of scrap steel, originally scheduled to be thrown into Puget Sound, will be salvaged and eventually routed into the Nation's defense program, OPM announced November 25.

The "rescue" of the steel, which became scrap as a result of the Tacoma Narrows Bridge collapse in November 1940, was accomplished through the joint efforts of several branches of OPM co-operating with the State of Washington Toll Bridge Authority.

Carlton S. Proctor, chairman of the committee on steel conservation and reclamation of the Engineers' Defense Board, on November 13 notified OPM officials of a decision to drop the damaged bridge structure and cables into Puget Sound. The decision had been reached, it was said at that time, because the cost of reclamation exceeded the immediate scrap value of the metal.

Enough for 100 tanks

The scrap iron and steel division of OPM, which had earlier been in communication with the Washington Toll Bridge Authority, immediately telegraphed municipal authorities at Tacoma, and were notified that the disposition of the bridge scrap was the entire responsibility of the Bridge Authority.

On November 24, J. W. Hoover, secretary of the Authority, replied, in part, as follows:

"An insurance settlement has been made on the bridge * * * The Washington Toll Bridge Authority will offer for sale all scrap metal which can be made available * * *."

It has been estimated that the 3,500 tons of steel scrap, when it is reclaimed, with an equivalent amount of pig iron, could be used in the production of 100 light or medium tanks, 200 four-ton trucks, or 600 sixteen inch navy shells.

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Boiler meeting postponed

The meeting of manufacturers of low pressure heating boilers called by OPA for December 1, in Washington, has been postponed, it was announced November 28.

A new date will be fixed in the near future.

6 JOIN OPA STAFF

Appointment of six accountants to the Division of Accounting, Analysis, and Review, Office of Price Administration, were announced November 26 by J. K. Galbraith, assistant administrator.

Russell P. Dolan was appointed to the textile and leather goods section. Mr. Dolan was formerly deputy collector for the Unjust Enrichment Division of the Bureau of Internal Revenue. He has been associated with the textile industry in New England for 25 years in responsible accounting and executive positions. Mr. Dolan's home is in Cranston, R. I.

James J. Ford was appointed to the chemicals, drugs, and paints section. Mr. Ford has had wide experience as an executive accountant in the drug and chemical industries. For 8 years he was an executive with McKesson and Robbins, Inc., and previously specialized in cost and accounting control installations in diversified industries. His home is in Yonkers, N. Y.

John J. Keane, a certified public accountant, and formerly with Loomis, Suffern and Fernald, public accountants in New York, was appointed chief of the copper and brass section. He has had 22 years' experience in private and public accounting, the major portion of which was devoted to copper mining and related industries. His home is in New York City.

James M. Weiss was named to the iron and steel section. During recent years he has been engaged in the practice of public accounting, and for many years was assistant secretary and assistant treasurer of the Savage Arms Corporation. He was also a cost accountant and efficiency expert for the Remington Arms Corporation.

Warren E. Wiley was appointed to the chemicals, drugs, and paints section. He has 11 years experience with large chemical and pharmaceutical manufacturers in cost accounting and budgetary control. In 1941 he was awarded an honorary LL. D. degree by Blackstone College of Law in Chicago. Mr. Wiley's home is in Capeville, Va.

York L. Wilson, cotton manufacturer and broker, was appointed chief of the textile and leather goods section. For the past 25 years Mr. Wilson has been associated with the textile and cotton industries in the south during which time he served as assistant treasurer of the Lancaster Cotton Mills; treasurer of the Aragon Cotton Mills; and president and treasurer of the Red River Cotton Mills. Mr. Wilson lives at the Oakland Plantation, Beaufort County, S. C.

Bags, barrels, other packaging material not included under Preference Order P-22

The containers branch of the Office of Production Management pointed out November 26 that packaging material may not be obtained with the assistance of Preference Rating Order P-22, commonly known as the Maintenance and Repair Order.

It was emphasized that no packaging material is included under this order, and that no preference rating under it can be applied for the obtaining or placing of purchasing orders for any packaging material.

"Packaging material" includes bags of all types, barrels, bottles, boxes, cans, containers, cooperage, cores, crates, cartons, cases, tubes, labels, wrappers, wrapping papers, liners, envelopes, cushioning or protective packing material, or their component parts made of paper, wood, fabric, glass, plastic, metal, or any other material.

The foregoing applies to returnable packaging material, as well as that used only one time.

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Seven towns in U. S. added to housing critical areas

Seven new towns have been added to those certified as defense areas, and included in the Defense Housing Critical Areas List.

The new communities, in which the construction of housing for defense workers may receive priority assistance, are: Sebring, Fla.; Moultrie, Ga.; Ballinger, Coleman, and Stamford, Tex.; Duluth, Minn., and Superior, Wis.

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Additional PD-73 no longer required on export sales

An additional copy of Form PD-73, previously required on export sales, no longer need be filed in such instances with the Office of Production Management, the Priorities Director announced November 28.

The Office of Export Control, which had been receiving the additional copy, no longer requires it, it was announced.

INTER-AMERICAN AFFAIRS . . .

Rockefeller on Economic Defense Board; office given role in Hemisphere Division

In recognition of the growing importance of the Government's economic program in the Hemisphere, the Vice President announced November 22 that, with the approval of the President, he had appointed Nelson A. Rockefeller, Coordinator of Inter-American Affairs, as a member of the Economic Defense Board. The Vice President also stated that the Economic Defense Board is reorganizing its personnel into four regional divisions—European and African, Far Eastern, British Empire, and American Hemisphere.

Personnel to be merged

In furtherance of this organizational plan the Commercial and Financial Division of the Coordinator's Office, working under the supervision of Milo Perkins, executive director of the Economic Defense Board, will undertake the study, formulation, and execution of such plans and programs of the Board affecting Latin America as fall within the scope of Executive Orders No. 8839 of July 30, 1941, No. 8900 of September 15, 1941, and No. 8926 of October 28, 1941. The executive personnel of the Economic Defense Board engaged in Hemisphere matters will, pursuant to this arrangement, be merged with the personnel of the Commercial and Financial Division of the Coordinator's office.

The combined personnel will act as the American Hemisphere Division of the Economic Defense Board under the direction of Carl B. Spaeth, assistant coordinator of Inter-American Affairs. On all matters not covered by the three Executive orders above described this division will be administratively responsible to Mr. Rockefeller and will continue to carry out, as heretofore, the other duties and responsibilities vested in it by the Coordinator.

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"FLIGHT STRIPS" TO BE BUILT ALONG HIGHWAYS

Construction of "Flight Strips" along the public highways is authorized by the Defense Highway Act of 1941, which has been signed by the President. The Army Air Forces will cooperate with the Commissioner of Public Roads in the selection of locations and construction of these auxiliary landing areas, the War Department announced recently. Construction of "Flight Strips" in most instances, will involve little more than widening the highway rights-of-way or the use of roadside development areas and establishment of a definite line of demarcation between highway and "Flight Strip."

LONDON RADIO LISTENING POST ESTABLISHED BY FCC

The Foreign Broadcast Monitoring Service, a national defense unit of the Federal Communications Commission created at the instigation of the Defense Communications Board, is establishing a branch office in London, England, for closer collaboration with the British broadcasting system.

Headed by Peter C. Rhodes

This office will be headed by Peter C. Rhodes, who was a foreign correspondent for the United Press before and during the present war. Mr. Rhodes has gone to England with Lloyd A. Free, chief of the FCC's Foreign Broadcast Monitoring Service, for that purpose.

The FBMS listens in on, translates, analyses, and makes daily confidential report on overseas broadcasts, in many languages.

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OPM temporary building completed in record time

William S. Knudsen, Director General of OPM, on December 1 received the keys to a block-long temporary Government office building—38 days after work was started on the structure.

Built by the Public Buildings Administration for OPM occupancy, the building has 119,000 square feet of floor space and will house 1,100 of OPM's force. It will be called "Temporary R."

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dorr, *Director*.

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

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OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*.

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*.

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: In charge of Harriet Elliott, *Associate OPA Administrator*

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*, Donald M. Nelson, *Executive Director*, The Secretary of War; The Secretary of the Navy; William S. Knudsen; Sidney Hillman; Harry Hopkins; Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF FACTS AND FIGURES: Archibald MacLelsh, *Director*.

OFFICE OF LEND-LEASE ADMINISTRATION: E. R. Stettinius, Jr., *Administrator*.

OFFICE OF PRODUCTION MANAGEMENT: William S. Knudsen, *Director General*, Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich. *General Counsel*, John Lord O'Brian.

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odium, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

DEFENSE



OFFICIAL WEEKLY BULLETIN OF DEFENSE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

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“Victory is our only objective . . .”

AT THE SUMMONS of Vice President Wallace, the Supply Priorities and Allocations Board held a special meeting December 9 in the Vice President's office and adopted the following declaration:

FROM NOW ON, every action by this Board and by the related civilian agencies of the Government must be keyed to one goal—complete victory in this war which has been thrust upon us.

FROM THIS MOMENT we are engaged in a victory program. We can talk and act no longer in terms of a defense program. Victory is our one and only objective, and everything else is subordinate to it.

IT IS CLEAR that a vastly expanded national effort is imperative. Production schedules for all manner of military items must be stepped up at once. Every activity of our national life and our civilian economy must be immediately adjusted to that change. To attain victory we aim at the greatest production which is physically possible; we call for the greatest national effort that can possibly be made.

THIS POLICY applies all down the line—in the agencies of Government, in industry, in agriculture, in commerce, in labor, in every phase of national life. There is but one standard for activities in all of these fields—the simple question, “Is this the utmost that can be done to bring victory?” Policies and actions which meet that test must be adopted; those which do not must be rejected.

A UNITED PEOPLE will harness the unparalleled might of the United States to one word and one slogan—VICTORY.

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★ DEFENSE ★

December 9, 1941

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Review of the Week in Defense

Japan's attack December 7 on overseas territories of the United States united the Nation in the new, direct war effort. Government, management, labor, and civilians rose to pledge unstinted support to the armed forces. Strikes, already on the wane, were called off amid declarations of loyalty. All over America, within a few hours, civilian defense forces were on the alert.

Labor already swinging in line

Even before the onslaught, labor backing in the defense effort had substantially improved. On December 6 the Labor Division of the Office of Production Management reported that only one strike of major importance to defense was under way. The National Defense Mediation Board was ending the second consecutive week in which all workers within its purview were on the job.

The outbreak of war pointed up the statement of a War Department representative 2 days earlier, before OPM officials, that we should seek to build up our labor force from persons unqualified for military service because further demands might be made by the armed forces on personnel. This attitude was borne out through the announcement December 7 by Selective Service Director Hershey that induction quotas would be stepped up.

Uniting the Americas

South of the border, the rallying of neighbor nations to the side of the United States put a spotlight on our undertaking to supply needs of theirs along with our own. The Supply Priorities and Allocations Board had just agreed on steps to make tin plate available to Western Hemisphere nations for canning of vital foods. The action was taken at the request of the Economic Defense Board, in accordance, it was announced, with the policy of equally recognizing Hemisphere civilian needs in making allocations.

OPM strengthens its hand

Already, during the week, defense agencies had been strengthening their

hands for the struggle to produce. The Priorities Division of OPM, as the first step to fulfill SPAB's request for a direct allocation system for steel, placed all production and delivery of steel plates—the bone and body of fighting ships—under control of the Director of Priorities.

New priorities aid planning

Further revamping its methods, the Priorities Division announced a Production Requirements plan under which thousands of essential manufacturers may plot their needs for three months ahead and receive ratings for that period.

Anticipating a threat to transport of tungsten from the Far East, the Priorities Division early in the week increased the proportion of molybdenum alloy that producers must deliver as opposed to the tungsten type in filling orders for high speed steel.

Public hearings ordered on copper

SPAB directed OPM to hold public hearings on all possibilities of increasing copper production. The action was taken in recognition of conflicting reports as to the output, and of the need to explore every avenue of approach, though with the expressed belief that SPAB had disposed of all pertinent questions which could be settled.

SPAB laid down a policy on construction of power projects which contemplates efforts to aid work substantially under way, but no help for new projects unless essential to defense, health or safety. Provision was made for allocating a certain amount of copper to the Rural Electrification Administration.

In the battle to save vital metals, a further cut was ordered in the production of domestic mechanical refrigerators. The Materials Division asked can manufacturers to add grapefruit to the list of foods to be packed in cans using less tin.

Priority aid was given to manufacturers of armored half-track vehicles, textile mill equipment, resistance welding electrodes, marine paints, and farm machinery; and to mines, foundries, and machine shops in mining areas, and all

producers of bakery goods. Control over ethyl alcohol was extended for an indefinite period.

The battle over electric power

OPM Materials Director Batt, after the House Appropriations Committee refused to recommend funds to build the Douglas Dam in Tennessee, issued a statement in which he declared failure to build that dam would threaten the Nation with a crippling power shortage at the scheduled peak of defense production in 1943. He told a press conference of plans to expand strategic plants and build new plants which would need the electricity.

OPM Director General Knudsen urged immediate surveys for a power line to serve the new aluminum plant going up at Massena, N. Y. Meanwhile heavy rains made it possible to suspend indefinitely the restrictions on the use of power in the Southeast.

Carriers get attention

Transportation came in for a good deal of attention. The Division of Civilian Supply invited representatives of railroad and railroad-supplying industries to a meeting December 12 on materials requirements in 1942. The Office of Price Administration put a ceiling on prices of second-hand rails sold for continued use. OPA also began an investigation of prices charged for "camelback" with which tires are retreaded. The Priorities Division freed truck trailers of 5 tons or more from production limits, and extended orders aiding acquisition of material for construction, repair, and rebuilding of railroad equipment.

Roofing prices curbed

OPA issued a price schedule substantially lowering rates for tarred and asphalt roofing; obtained agreements from leading manufacturers to hold down prices of innerspring mattresses; requested makers of rubber footwear to check advances; and scheduled meetings on prices of shoe machinery and Western pine lumber. OPA promised to give adequate publicity to any decisions on applications for increases in price of petroleum products.

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SPAB's policy on power projects directs aid for those under way

In line with the policy laid down earlier on construction, the Supply Priorities and Allocations Board announced December 6 a broad policy covering the building of public and private power projects. The policy in substance directs that every effort be made to aid in the completion of projects now substantially under way, but that aid be withheld from new projects unless they can be shown to be essential to national defense or to the public health and safety.

Copper allotted to REA

In announcing this policy, SPAB also announced that 1,500 tons of copper will be made available monthly to the Rural Electrification Administration, up to a total of 10,500 tons. SPAB estimated that this will enable REA to finish up all projects which are now more than 40 percent complete, and to finish a number which are less than 40 percent complete. All projects in this latter group will be reviewed, and those which have been started and on which construction is well under way will be completed.

After 3 months the whole program will be reviewed by SPAB to see whether any different action should be taken in the light of conditions at that time.

General policy on power projects

In the general policy on power projects are the following points:

Both public and private power projects must be treated alike, and the mere possession of a substantial inventory should not allow one group to undertake a project for which the other is denied priority assistance.

During the emergency, neither public nor private power bodies may start projects which would duplicate facilities of the other.

Private power companies may not take advantage of inventories they now have to preempt an area under development by REA.

All proposed extensions, whether by public or private power companies, and whether involving inventories on hand or materials to be acquired, must be submitted to OPM for approval, disapproval, or modification. This does not apply to low tension drop lines from existing systems.

SPAB moves to supply Latin America with 218,600 metric tons of tin plate

At the request of the Economic Defense Board, the Supply Priorities and Allocations Board on December 2 agreed to take all steps consistent with the defense program to make available for export to the other republics of the Western Hemisphere 218,600 metric tons of tin plate in the 12-month period which begins December 15.

Plans are being made to ship up to 35 percent of this amount during the next 3 months to relieve serious shortages which have already developed, especially in countries where the canning season is under way.

Equal recognition of civilian needs

These 218,600 metric tons are expected to meet the minimum essential requirements for tin plate in the other American republics, in accordance with the established policy of maintaining the economic stability of the Western Hemisphere and of equally recognizing and providing for its essential civilian needs in our allocations of materials.

The countries to which tin plate will be shipped under this plan have been accustomed to filling a large proportion of their tin plate requirements by imports from Germany and England. The United States will partially make up the deficit resulting from cessation of European tin plate exports.

The action on tin plate constitutes the first step in a simplified program designed to assure delivery of essential commodities to meet the import needs of Latin America. Under the new program definite amounts of certain commodities will be allotted for export, when approved by SPAB upon recommendation of the Economic Defense Board.

Licenses to be reviewed

In preparation for the new plan, all licenses for export of tin plate to Western Hemisphere nations have been revoked as of December 15. As rapidly as possible each individual case will be reviewed and licenses approved on review will be reinstated under the new plan, after which licensed shipments will be charged against the total allotment which has now been established.

In order to avoid delay in starting shipments, Latin American orders now on the books of United States tin plate producers will be filled as rapidly as possible when licenses are reinstated.

In the future, the governments of importing countries will be given an opportunity to recommend approval or disapproval of orders by individual importers. These recommendations will be given full consideration by the Economic Defense Board in order to assure the most effective use of materials exported by the United States. The mechanics of the procedure to be followed will be announced in the near future.

Expected to eliminate price-gouging

Mills producing tin plate in the United States will be notified by OPM as to the proportion of the total allotment for export to Latin America which each will be expected to fill. From that point on, the business will move through the usual trade channels, subject to approval of licenses by the Economics Defense Board. The new plan is expected to eliminate the price-gouging on tin plate which has recently been reported by a number of Latin-American importers.

The allotment of 218,600 tons is below the 1940 Latin American imports of tin plate, which amounted to 233,600 tons.

Canned foods necessary

The Economic Defense Board has found that in most of the other Western Hemisphere republics tin plate inventories are practically exhausted. Canneries producing foodstuffs essential to the health of the population have already been closed down because of lack of tin plate in Chile and in Mexico. Poor refrigeration, inadequate transportation facilities, and regional specialization in mining or in one-crop farming or ranching necessitates the use of canned food products to provide protective foods in large areas of the Western Hemisphere. At least 25 percent of the tin plate to be made available will be used in canning food products for export to Great Britain and the United States.

European foods cut off

The Latin-American need for tin plate has been increased by the fact that edible oils, chemicals, and other products, which were formerly imported in cans from Europe, can no longer be obtained from that source and must now be replaced by larger production and packaging of these products locally in Latin America.

PRIORITIES . . .

New priority rating to cover producer's requirements on a quarterly basis

The new Production Requirements Plan, a streamlined scheme for granting priority assistance to manufacturers engaged in essential production, was issued December 3 by the Division of Priorities.

The new procedure is designed to help many thousands of manufacturers of products needed for defense or essential civilian use to obtain priority ratings which will cover their materials requirements for three months at a time. Under the new plan, the number of separate applications for priority assistance to expedite single orders will be reduced to a minimum.

Full information required

Applications filed in accordance with the Production Requirements Plan will contain information needed by the Office of Production Management for a clear picture of existing inventories and prospective needs for scarce materials.

A manufacturer who applies for priority assistance under the Production Requirements Plan will show the type and volume of products he has been making, their use in relation to defense or essential civilian needs, the amount of scarce materials he has on hand, and the additional amounts he will require to fill his production schedule for the next calendar quarter.

5 determining factors

In determining what priority may be granted to the applicant, the Priorities Division will take into account (1) the amount of defense or essential civilian production involved, (2) the end use of the products, (3) the materials required for production, (4) the over-all policies of the Supply Priorities and Allocations Board, and (5) the recommendations of the appropriate industrial branches of the Office of Production Management.

After considering all of these factors, the Priorities Division will be able to grant the manufacturer a preference rating or ratings, geared to his needs and the importance of his products, which can be used continuously over a calendar quarter to obtain critical materials.

Ratings under the new plan may apply to all or to any specified part of the

producer's materials requirements. If all of the products covered in his application are destined for defense or essential civilian use, he may be given a priority rating covering 100 percent of his needs. In other cases the rating may apply only to the percentage of his materials requirements which will be directly incorporated in products regarded as being of basic importance in defense or in the national economy. The producer may receive one or more ratings under the plan.

The Production Requirements Plan will replace the old Defense Supplies Rating Plan under which priority ratings were given to certain producers who found it necessary to schedule production in advance of receiving orders, but it will have much wider application. A larger number of producers will now be eligible for limited blanket ratings, provided they can show that a substantial proportion of their production in recent months has been essential to the defense program.

Expected to reduce paper work

It is expected that this new device will permit an eligible manufacturer to use his rating or ratings to get all of the materials covered, and he will not have to bother to apply for aid by filling out PD-1's (the standard application form for an individual rating) or to extend each of the individual ratings on the orders he receives. The amount of paper work involved in filling defense orders will thus be substantially reduced.

Before the inauguration of the Production Requirements Plan, a manufacturer whose products were used partly by the Army and Navy, partly by defense plants or by vital public services such as municipal fire and police departments, and partly by ordinary civilian industry might have had high priority ratings on some of his orders, lower ratings on others, and no rating at all on the rest.

The net result was that he had to use a number of different processes in order to operate. The only courses open to him were to extend the high ratings on his orders in each individual case, or to use the Defense Supplies Rating Plan which gave him an A-10 rating for his defense orders only, or to make many separate applications.

The new plan will simplify this substantially. The manufacturer will first obtain Form PD-25A. On this form he will show the kind and volume of products he has been making, the priority rating of orders he has filled in a recent quarter, the destination or end use of his products, and the inventory of materials which he has on hand, together with his anticipated materials requirements for the next calendar quarter.

As this information is obtained from all manufacturers handling defense or essential civilian orders, OPM will be able to build up an over-all picture of materials used and prospective requirements for defense. When the picture is reasonably complete, it will be possible to assign priority ratings with more exact relationship to the importance of a particular manufacturer's product and the total volume of materials available.

To work first on company basis

The new plan is to be applied first on a company basis. It is expected to form the foundation for similar plans on an industry basis as rapidly as the over-all needs of the various industries are known in OPM.

Since the anticipated requirements of a manufacturer may change if the pattern of his defense orders changes during a calendar quarter, the Production Requirements Plan provides that interim reports may be filed. The first quarter for which applications under the new plan will be received is from January 1 to March 31, 1942.

Where necessary because of long-term commitments or the nature of his business, a manufacturer may file an additional application covering the second quarter at the same time he files for the first. All applications must be for calendar quarters, however, so that the information obtained by OPM will be uniform as to dates.

Forms ready for distribution

The new PD-25A application forms are now ready for distribution from the Priorities Division of OPM in Washington, or field offices.

Some of the main points of the new plan follow:

The Production Requirements Plan will go into effect for the first calendar quarter of 1942.

Complete inventory information must be given. Inventories must be held at the minimum practicable level.

A list of critical materials known as

Materials List No. 1 is part of the plan. The preference rating granted may be used only to obtain materials on this list except when other items are specifically named on the form in a section provided for that purpose.

The rating will apply only to materials needed for defense or essential civilian production, and cannot be used to obtain capital equipment. Such capital items—for example, machine tools and other production goods—must be obtained in the usual way by filling out application form PD-1, if they cannot be obtained without aid.

Ratings may be extended

Application form PD-25A may be reproduced by anyone who wants to use it so long as it is reproduced exactly in its original form, size, color, and phraseology.

All communications and applications should be addressed to the Production Requirements Plan Section, Division of Priorities, Office of Production Management.

An applicant granted a rating under the plan serves the rating on his suppliers by a prescribed endorsement on his purchase orders.

Rating is extendible

Suppliers of the applicant may extend the rating to obtain delivery of materials which are to be physically incorporated in the applicant's products, in accordance with the terms of the preference rating order issued in connection with the plan.

No preference ratings other than those authorized in form PD-25A may be used by the producer operating under the plan to obtain deliveries of production materials, or maintenance, repair and operating supplies, unless specific authorization is granted.

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Control of ethyl alcohol and related compounds extended

The Division of Priorities announced December 1 that it had extended for an indefinite period priority control over ethyl alcohol and related compounds.

General Preference Order M-30, which expired November 30, placed ethyl alcohol and acetic acid, acetic anhydride, acetone, ethyl ether, ethyl acetate, butyl alcohol, butyl acetate, isopropyl alcohol, and isopropyl acetate under priority control. The extension of the order became effective November 29, 1941.

Complete allocation of steel plates ordered as first step in new system

Complete allocation of steel plates was ordered December 1 by Priorities Director Nelson in General Allocation Order No. 1.

The action is the first step in compliance with the request of the Supply Priorities and Allocations Board, made November 1, that a direct allocation system for steel be worked out.

Army, Navy, Maritime Commission take 50 percent

Defense demands for steel plates are heavy, the Army, Navy, and Maritime Commission taking approximately 50 percent of existing capacity. Other leading users are the railroads, for car construction, and the petroleum industry, for pipe and in the construction of all types of tanks. There are many other general uses of plates.

Essential orders above capacity

As of November 1, reports from steel plate producers showed defense and essential civilian orders, with ratings of A-10 or higher, in excess of production capacity for shipment during the month. Capacity of the industry is about 600,000 tons a month.

The order defines plates and provides that after December 1 no person shall produce, deliver, or accept plates except in accordance with the orders of the Director of Priorities.

Producers are required to file with the iron and steel branch, OPM, by the 15th of each month a schedule of production and shipments for the following month, together with a statement of unfilled orders for the period. They then will receive an allocation order from the Director of Priorities, making any changes that are deemed advisable.

Any excess production under control

Plates produced in excess of schedules cannot be disposed of except at the direction of the Director of Priorities.

The order also provides that suitable forms for producers and customers will be prescribed from time to time.

Immediate purpose of the order is to insure a continuous flow of plates into defense channels and to provide an adequate check against hoarding and excessive inventories.

Studies of steel plate requirements for nondefense industries now are being

made by the Division of Civilian Supply in conjunction with the Division of Materials to determine what proportion of the available supply should be allocated to each. No direct allocations of this kind have yet been made, although substantial steps in this direction are being taken.

Steel has been under priorities control since May 1, 1941, when General Metals Order No. 1 was issued. General Preference Order M-21, issued May 29, has provided overall steel control since.

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A-1-c assigned to materials for resistance welding electrodes

A preference of A-1-c was assigned December 3 to orders for materials entering into the production of resistance welding electrodes by the Division of Priorities.

Necessary metals hard to get

Producers of resistance welding electrodes have experienced difficulties in obtaining the metals and master alloys used in their product. Such electrodes cannot be produced economically except in large furnace runs and the preference rating is therefore applicable to the producers' requirements of specified materials for a 3 months' period covered by his application for priority assistance under the December 3 Preference Rating Order No. P-85.

Producers must file applications

Producers of resistance welding electrodes who wish to obtain priority assistance under the order must first file an application with the Priorities Division on Form PD-82 and must receive specific authorization for use of the rating. After a producer has received the authorization he may serve certified copies upon his suppliers and thereafter use the rating by endorsement on his purchase orders. Monthly reports of all applications of the preference rating are required on Form PD-81 or PD-81a.

Resistance welding electrodes as defined in Preference Rating Order P-85 include only spot welding tips, resistance welding dies, seam welding wheels, and water-cooled holders for spot welding tips.

Mines, small foundries, machine shops benefit by extendible rating for supplies

Many small foundries and machine shops in areas where mining operations are carried on, as well as the mines themselves, will benefit by an amendment to Preference Rating Order P-56, announced December 2 by the Priorities Division. Order P-56 facilitates the acquisition of repair, maintenance, and operating supplies by mines.

A-3 for new machinery, repair parts

The clause in the amendment which is particularly helpful to local enterprises is the one which assigns an extendible rating of A-3 to the acquisition of new mining machinery, and of repair parts, by a mine operator. This rating may be used by a mine, to which a serial number under the order has been assigned, to secure the machinery, and repair parts for it, listed in Schedule "A" attached to the order. Thus, a local shop may receive the benefit of the A-3 rating by extending it, if necessary, to acquire the materials necessary to fill orders received from a mine.

P-23 not affected

Preference Rating Order P-23, which extended a rating of A-3 to the acquisition of materials entering into mining machinery, was issued only to known manufacturers, and hence was not available to the many small businesses which will now be able to fill a portion of the mines' requirements. This order (P-23) is not affected by the amendment.

Other clauses in the amendment assign an A-1-a rating to deliveries of materials when there has been an actual break-down or suspension of operations, and the essential repair parts are not otherwise available; an A-1-c rating to deliveries of material up to the minimum required to make reasonable advance provisions to avert actual break-down or suspensions; an A-3 rating to deliveries of essential material or equipment of the types listed in Schedule "A"; an A-8 rating to deliveries of essential machinery or equipment of types other than those listed in the schedule, provided that they are for use in the actual production operation of a mining enterprise.

Mine operator must make application

Before applying the A-1-a and A-1-c break-down ratings, a mine operator must make application to the Director of Priorities. The same is true of the use of the A-3 rating available for the purchase

of new machinery listed in Schedule "A."

In order to apply the A-3 rating to deliveries of spare parts to the approved types of machinery, and the A-8 rating to deliveries of machinery and equipment other than the types listed in Schedule "A," the mine operator to whom a serial number has been issued need only endorse on his purchase orders the following statement, "Materials for a Mining Enterprise, Rating A- — under Preference Rating Order P-56, Serial No. — and in compliance therewith."

The amendment also extends the benefits of the order to refractory plants wholly engaged in the processing and burning of refractories, and to approved prospecting enterprises.

Mine operators, who have been issued serial numbers under the original P-56, are being notified that these numbers will remain in effect, and that they should continue to use them under the amended order.

Applications, and inquiries concerning Preference Rating Order P-56, should be addressed to the Mines Priorities Section, OPM.

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Amendment raises proportion of molybdenum steel to tungsten

An amendment to General Preference Order M-14 designed to conserve tungsten was announced December 3 by the Division of Priorities.

The order provides that 75 percent of all high speed steel orders accepted in any one quarter shall be of the molybdenum type and not more than 25 percent of the tungsten type. The previous ratio was 50-50.

The amendment also extends the order until December 31, 1942. It was issued June 11, 1941.

Reasons for the change are increased demands for high speed tungsten steel for export; increased use of molybdenum steel generally, and the threat to the Burma Road, over which large supplies of tungsten now come, by developments in the Far East.

While Western Hemisphere production of tungsten has jumped greatly since the defense program started, imports from China continue to be a vital factor in the total United States supply. The bulk of our present molybdenum supply is produced domestically.

Truck trailer production freed from limits

Removal of all restrictions on production of truck trailers was ordered December 4 by Donald M. Nelson, Director of Priorities.

Under Limitation Order L-1-a, as extended to December 31, production of truck trailers of five tons or more during the period from September 1 to December 31 was limited to two-thirds of the output during the first half of 1941.

Decision to exempt these heavy trailers from the limitation was reached by the Division of Civilian Supply because it recognized that trailers of this type provide the most economical form of commercial highway transportation, both from the standpoint of cost and metals consumed.

Body, cab, restrictions relaxed

Limitation Order L-1-a is accompanied by Preference Rating Order P-54, which assigns an A-3 rating to materials going into the manufacture of truck trailers.

At the same time, Mr. Nelson removed all limitation on the production of bodies and cabs for medium motor trucks, which also was covered by limitation Order L-1-a. This restriction is considered unnecessary because output of bodies and cabs naturally will be governed by production of medium truck chassis.

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Ratings on materials for rail equipment extended

Extension of preference ratings on materials entering into the construction of freight cars and into the construction, repair and rebuilding of specified types of locomotives was announced December 2 by the Division of Priorities.

General Preference Orders P-8, P-20, and P-21 were extended to December 31, 1941, the extension to take effect as of November 29. Each of the orders extends a preference rating of A-3 to orders for materials to be used in the indicated types of construction or repair.

Inquiries concerning these orders should be addressed to the automotive, transportation and farm equipment branch, Division of Civilian Supply, OPM.

Medium trucks, carriers sold to Army or Navy through dealers exempt from quotas

Manufacturers of medium motor trucks and passenger carriers may exclude from production quotas established by OPM any vehicles sold directly or through authorized dealers to the Army or Navy and certain designated Government agencies and foreign governments.

This is made clear in an interpretation, issued December 5 by Priorities Director Nelson, of Limitation Order L-1-a.

The limitation order contains a provision exempting from production quotas any medium trucks (1½ tons or more) and passenger carriers (motor or electric coaches with not less than 15 seats) and replacement parts produced for the Army or Navy and certain Government agencies and foreign governments.

The interpretation was issued so that manufacturers would know that this exemption applies not only to direct sales to the designated agencies or governments, but also to sales made through authorized dealers. It does not apply to sales to a private contractor for work on Army cantonments, munitions plants or similar defense projects.

It is expected that the automotive, transportation and farm equipment branch of the Division of Civilian Supply will recommend shortly the issuance of similar interpretations covering the passenger car and light truck (less than 1½ tons) limitation programs.

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Makers of armored half-track vehicles get A-1-f rating

Manufacturers who are turning out armored half-track vehicles for the Army and for the British Government, were granted the assistance of an A-1-f preference rating in a limited blanket rating order issued December 5 by the Priorities Division.

The rating assigned by the order, P-35, may be applied to the acquisition of material which will be physically incorporated in the finished vehicle. The rating may be extended.

The half-track combat vehicles, covered by the order, are caterpillar-driven, have front wheels, and are designed to take rough country in their stride. They are used for a variety of purposes, ranging from reconnaissance work in connection with, or in place of, cavalry, and as infantry troop-carriers with armored divisions.

Domestic mechanical refrigerators cut 30 to 52 percent for January, February

Production of domestic mechanical refrigerators will be further curtailed during January and February under an order issued December 4 by Priorities Director Nelson.

Cuts during the 2 months will range from 30 to 52 percent, depending upon the size of the companies involved.

The original limitation, issued September 30, called for reduced output for the 5 months from August 1 through December 31, ranging from 29 to 45 percent below average monthly factory sales in the 12 months ended June 30, 1941.

It was stated in the September 30 announcement that the curtailment program drafted by the Division of Civilian Supply contemplated production of 2,007,000 units in the 12 months beginning August 1, 1941, as compared with 3,670,000 units produced in the 12 months ended June 30, 1941. In order to reach this production level, it is necessary to increase the rate of curtailment in the first 2 months of 1942.

Base period system revised

As the result of certain inequities arising from the original program, the base period system is revised under the extension so that companies may choose between two periods.

The first is identical to that established in the original order—average monthly factory sales for the 12 months ended June 30, 1941. The second is arrived at in this manner: the average of the percentage of a single firm's sales compared to total industry sales during each of the fiscal years ended June 30, 1939, 1940, and 1941, will be applied against total industry sales during the 12 months ended June 30, 1941. The resultant figure will furnish the sales base on which curtailment is calculated for companies choosing this method. This alternative base period is designed to afford relief for companies whose sales during the 12 months ended June 30, 1941, were adversely affected by unusual production difficulties.

Producers may borrow from 1942 quotas

Under the extension of the program, class A companies, whose average monthly sales during the selected base period were 16,000 units or more, will have their production cut 52 percent during January and February. Class B firms, whose average sales ranged from 5,000 to 16,000 units, will be cut 40 per-

cent, and class C companies, whose average was less than 5,000 units, will be reduced by 30 percent.

The rate of curtailment from August 1 to December 31 was: Class A, 45 percent; class B, 37 percent, and class C, 29 percent.

A system also is established under the extension to permit companies to borrow from their January and February quotas in order to keep operating at a fairly high level during the remainder of this year.

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More aid for textile mills

An amendment to Preference Rating Order P-53, issued December 3 by the Priorities Division, includes within the terms of the order the cones, tubes, and spools used in the operation of textile mills. The preference rating of A-10 may now be applied to the acquisition of the necessary materials by producers of these essentials. These articles, normally manufactured from paper, include large quantities of scarce chemicals, a situation which recently has made their production difficult.

Monthly requirements of chemicals for paper cones are: 1,200 to 1,400 pounds of alcohol; 5,000 to 6,000 pounds of butyl acetate; 1,500 to 1,900 pounds of butanol; 1,800 to 2,000 pounds of ethyl acetate; 750 to 900 pounds of acetone, and 7,000 to 8,750 pounds of nitrocellulose.

Tubes require monthly an estimated 45,000 pounds of alcohol, 32,000 pounds of phenol, and 32,000 pounds of formaldehydes.

Preference Rating Order P-53, issued on September 13, 1941, covers producers of spare parts for the maintenance of textile machinery.

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Small cobalt users relieved of paper work

Users of cobalt who require less than 50 pounds per month were relieved December 5 of the necessity of filing monthly request forms, in a supplement to Order M-39 issued by the Director of Priorities.

All other provisions of the order remain in effect, and users of cobalt were warned that attempts at evasion would result in revocation of the exemption.

MATERIALS . . .

Failure to build Douglas Dam would cripple defense program at peak time, says Batt

Failure to appropriate money for the building of the Douglas Dam would "mean that a crippling power shortage will threaten us in 1943 just when our defense effort is scheduled to reach its peak in the production of aluminum, munitions, and other critical materials," OPM Materials Director Batt said on December 4. His prepared statement was issued at a press conference after the House Appropriations Committee declined to recommend funds for the dam.

The conference developed information on several questions in relation to the Douglas Dam and proposed substitutes. Excerpts from the conference follow:

Mr. BATT. The issue has been raised by some of our friends on the Hill that we are pushing hydroelectric power and that we ought to go ahead and put steam power in. There is no difficulty in the steam power field with boiler supply. The bottleneck is in turbines and propulsion machinery, and that bottleneck has been created by the heavy demand on the part of the Navy. The principal turbine builders are loaded to the neck. One of them I am told has 5 years of business on his books today.

Q. Don't they use turbines with hydroelectric?

A. Yes but they use an entirely different form of turbine. The water wheel for converting water power into energy is a very much simpler piece of machinery.

Q. Then you would say the shortage is in steam turbine?

A. Yes.

Any surplus would come in 1945

Q. The House Appropriations Committee in its report said that without the Douglas Dam there would be a surplus of 87,000 kilowatts. As I understand that would be in effect in 1945 if such a surplus existed and that your deal would be in 1943?

A. That is right. That is a correct statement.

Q. Well, while the statement might be correct it doesn't alter your—

A. My assumption is—I am not familiar with the details of the '45 power supply—but my assumption is that it will probably be on the basis of present projected load limits of power in 1945.

Now specifically, we want to locate or we did want to locate in the Tennessee Valley a substantial additional aluminum production because the Reynolds Co. could take on an additional plant and would like to locate it, and we'd like to see it located, at the site of their present aluminum operation. Without this power which Douglas can provide that plant can't be located there. * * *

Sixty or one hundred million pounds annually. Then there were some ferro-alloy plants which it was desirable to locate there which can't go there. You see Douglas would have given us about 100,000 kilowatts. If we were to put in 60,000,000 pounds annually of aluminum that would take somewhere in the neighborhood of 65,000 kilowatts and its balance would be available for these electro-metallurgical plants and other defense projects, and would make possible the enlargement of some of the existing defense projects which are in the area and which were intended to be enlarged. Now without this power, this Douglas power, those projects can't be enlarged. New projects can't go in there. Now if you ask me where they can go, I haven't got an answer.

The Holston or Cumberland issue

Q. Mr. Batt, you say you don't know where else you'd put it. In criticisms against Douglas Dam on the Hill it is usually accompanied that you can build other plants on the Holston River or the Cumberland River.

A. I have heard that more times than I can tell you but I have never heard it accompanied by any authoritative statement by anybody. Senator McKellar has pushed this strongly for some dams on the Cumberland River. He wrote me a letter—I might just as well tell you about it since I am laying all the cards on the table—"that one of these dams could be built in 12 to 15 months"—this is Cumberland I am talking about—"and that the War Department is anxious to go ahead with these dams." Now 12 to 15 months would be from February to May of 1943. I hold here in my hand a letter from the Under Secretary of War saying that the first power that could be delivered from one of those dams is September 1, 1944, and from the other one March 1, 1945.

Q. When could the first power be received from Douglas?

A. The first power would be available from Douglas early in '43. I have a telegram from Senator Stewart urging these Cumberland River Dams and saying that the building of those dams would solve the problem presented by the Douglas Dam controversy and I fail to find any authority whatsoever for those conclusions. The statement has been made on the Hill that the Holston project could be completed in the same time as the Douglas Dam. As far as I know there has been no effort on the part of anyone on the Hill to substantiate that statement with technical evidence. The TVA people say that the Holston Dams can't be completed and delivering power until from a year and a quarter to a year and a half later than Douglas. And because there are people on the Hill who conclude that TVA's estimates are not always sound, the OPM went outside and with the assistance of Gano Dunn had a study made by a man whom Mr. Dunn says is one of the most competent people in the country.

Q. Who is he?

Engineer's report substantiates TVA's

A. His name is William P. Creager of Buffalo.

Q. Is he an engineer?

A. He is a hydraulic engineer in private practice. I hold Mr. Creager's report in my hand and it entirely substantiates the conclusions of the TVA engineers except in one or two respects. It is even a little further back than they are. So, as far as any technical evidence that the OPM can find, the TVA conclusions with respect to Holston and Douglas stand unchallenged and we simply come down to this point: Do we need power in 1943 or don't we?

Q. Mr. Batt, how many canning factories are in the area that would be flooded by the Douglas Dam?

A. I don't know the number. There are none in the area.

Q. One.

A. But I think I am correct on that. I don't think there are any in the area to be flooded but they do draw their products which they can from the area which would be flooded; is that an incorrect statement?

Q. That is correct.

A. It seems to me that this is the canners against defense plus whatever help they can get in high places.

Q. Well, Mr. Woodrum seems to be very much opposed to this thing now.

A. Is that so?

Q. And he said you couldn't possibly make any aluminum that they could put in a plane before 1948.

A. Well, if he said that I am sure he had some figures that were not facts.

Q. From previous statements put out from OPM and also by McKellar I think you have admitted in OPM that you would probably flood a larger acreage of Class A agricultural land by Douglas than on the other land. It appears that you would have to move less farm families.

Fewer families involved in Douglas

A. Yes I gave to the Members of the House Committee and to the Members of the Senate Committee some rather interesting figures on that. It is true that in the Douglas project there is, there are 12,000 acres of what the Agriculture Department classes as first- and second-class ground as against 5,200 combined in the Holston projects. But there has been a very general misunderstanding as to the number of families involved in the two projects. In the Douglas project there are 700 families that would have to be moved and in the Holston projects 1,100 families.

Availability of used steam generators

Q. I was very much interested in the House report where there was some actual talk about two steam generators being available that could be gotten from Edison.

A. Yes, the proposal has been made that this power shortage should be made up by buying two second-hand machines which belong, I think, to the Detroit Edison Co. These are steam, some discarded equipment or some unused equipment that Detroit Edison has. Of course you have to have additional equipment to go with that in order to make complete installation. We have already been recommending very strongly that that equipment should be used for another defense project where power is needed very much earlier than here.

January is deadline

Q. What is the deadline that you have got to have this money to get going and get this thing done?

A. Well, I think if it is not started by January, if the appropriation isn't through by January—you see, I am not a dam engineer but it fits in with the seasons. If you don't have your construction up so you impound water when it is ready, you are likely to lose the whole 12-month period.

Text of Batt's statement on Douglas Dam

W. L. Batt, director of OPM's Materials Division, released the following prepared statement at a press conference December 3:

I have just learned that the House Appropriations Committee has declined to recommend an appropriation for the construction of the Douglas Dam on the French Broad River in Tennessee. I cannot reconcile myself to the proposition that the Congress of the United States will fail to authorize the construction of Douglas Dam. Such an action—or failure to act—would be an irreparable blow to the national defense program. It would mean that a crippling power shortage will threaten us in 1943 just when our defense effort is scheduled to reach its peak in the production of aluminum, munitions, and other critical materials.

We know that important defense areas will be confronted with power shortages in 1943. That is the critical year. That is why the Douglas Dam is so important. If its construction is authorized this month, it will make available, beginning with the early summer of 1943, almost 1,000,000,000 kilowatt-hours a year. It is the only additional potential source of power anywhere in the country that can provide so much power in so short a time. It will be located in the heart of one of the most important defense areas in the country.

Tennessee Valley to need billion kw.-h. a month

This is the situation:

Even assuming that not a single new defense industry is located in that area, power requirements in the Tennessee Valley for the last 6 months of 1943 will approximate 1,010,000,000 kilowatt-hours a month.

During that same period the total power available in that area including the output of all the power plants now under construction both by TVA and the Aluminum Co. of America will average about 900,000,000 kilowatt-hours a month. That will mean a deficiency in this area alone of over 100,000,000 kilowatt-hours a month unless Douglas Dam is built.

If it is constructed, Douglas will take care of about three-fourths of that deficiency, and to meet the shortage remaining, we will have to rely, as we are relying now, on bringing in power from other areas wherever temporary surpluses exist and on cutting civilian consumption. But without the kilowatts

which the Douglas Dam would make available in 1943, this is what we will face:

First.—That whole important defense area will be closed to us as we are confronted with the problem of locating new defense plants found to be essential as our needs develop.

Second.—Existing munitions plants now located in the area can not be expanded although when the plants were built considerable expansions were expected and the plants were designed with that factor in mind. It will cost time and money to make other plans now and there is no easy answer because we know of no area where a surplus of power will exist in 1943.

Third.—Power requirements for all users except vital defense industries will have to be sharply curtailed during dry seasons. The blackout still in effect in six Southeastern States because of the power shortage already existing in the area will be mild compared with the power curtailment program that will have to be imposed by 1943 if Douglas Dam is not built. In a dry season, such as we have just gone through, nondefense industries would have to reduce their power consumption as much as 33 percent if spread out over a 6-month period or a much higher percentage if the curtailment were delayed until the late months of the year. The consequences of such a sharp industrial curtailment, in terms of unemployment for the thousands of mill and factory workers and for all the other people and businesses dependent upon these industries in six States is not a cheerful prospect.

There is only one question to determine. That is, do we need more power for defense? The answer is obvious. Regardless of temporary surpluses in some sections, every important defense area of the country will be short of power in 1943. The Douglas Dam is one of the few projects which can be undertaken at this late date to relieve that shortage, and it is the only source in the whole country from which so much power can be obtained in 1943. This power is vitally needed not for the development of the Tennessee Valley or the Southeast, but for the defense of the Nation.

For the sake of our national defense, I earnestly hope that the Congress will restore to the deficiency bill now pending the funds recommended by the President for commencing construction of Douglas Dam.

PRICE ADMINISTRATION . . .

Ceiling put on rails for relaying; some sold higher than new product

Maximum prices for certain types of second-hand railroad rail that are sold for further transportation use are established in Price Schedule No. 46, Relaying Rail, announced December 3 by OPA Administrator Henderson.

Used railroad rail falls generally into three quality classifications: relaying quality, which is still serviceable for use as rail; rerolling quality, which is bought by so-called rerolling mills for conversion into lighter rail, concrete reinforcing bars or small structural shapes; and scrap quality, which is sold as scrap to steel mills and foundries.

The latter two types—rerolling and scrap—are already under maximum prices in Price Schedule No. 4—Iron and Steel Scrap.

Demands disorder markets

"Relaying rail" in normal times is used as a cheap substitute for new rail on lines where traffic is not heavy or where quality is not a consideration. Hence, prices for this rail are held in line by the prices and supplies of new rail available. The tremendous demands of the defense program for steel have limited the amounts of new rail available with result that second-hand rail markets have become disordered. Rail of relaying quality has sold in many instances at prices as high or higher than those for new rail. Further, used rail that normally would flow to rerolling mills is being sold as relaying rail.

Rail in two classes

The schedule divides relaying rail into two categories: (1) rail originating from class I railroads and class I switching or terminal companies; and (2) rail from all other sources, such as short lines, interurban lines, and abandoned lines of all types. It is provided that if rail of class I origin is sold by the railroad "in track," that is, not torn up and assembled, it shall fall into the "all other" classification.

Base price for relaying rail of class I origin is established at \$28 per gross ton f. o. b. any station on the selling railroad at the option of the buyer. When such rail is purchased by a dealer or jobber, it may be resold at a maximum price of \$30 a ton, f. o. b. shipping point.

For all other types of relaying rail, the

schedule sets a ceiling shipping point price of \$30 per gross ton minus the railroad freight charge for transporting such rail between the shipping point and the basing point nearest in terms of transportation charges. It is provided that in no case need the shipping point price be less than \$22 a gross ton. The delivered price, accordingly, shall be the shipping point price plus the actual cost of transportation to the destination point.

Basing points designated

The following cities are designated as basing points for relaying rail of other than class I railroad origin:

Boston, Pittsburgh, Detroit, Norfolk, Kansas City, Mo., Los Angeles, Philadelphia, Cleveland, Chicago, Minneapolis, Birmingham, San Francisco, Seattle, Buffalo, Cincinnati, Savannah, St. Louis, Houston, and Portland, Oreg.

A special section of the schedule deals with relaying rail sold from warehouses, equipped with machinery for reconditioning. The maximum prices in this section, all f. o. b., warehouse, are: \$2.25 per hundredweight for less than 5 tons; \$2 per hundredweight for 5 to less than 25 tons; and \$1.60 per hundredweight for 25 tons and over. Persons desiring to operate under this special provision must file, on or before December 10, 1941, with the Office of Price Administration, a statement indicating that they operate recognized warehouses equipped with machinery for reconditioning.

Certificates or affidavits required

Buyers of more than 100 tons of used rail are required to file with OPA within 10 days of purchase either a certificate from an established inspection bureau or an affidavit estimating the division of the purchase among relaying, rerolling and scrap qualities. OPA reserves the right to inspect and classify the rail itself.

In the case of sales of relaying rail of 25 tons or over to the ultimate consumer, the seller is required to file either a certificate by an established inspection bureau that such rail is of relaying quality or an affidavit from the consumer stating that the rail is to be used for relaying purposes.

Tire retread material price increases investigated

Reasonableness of increases ranging from 12 to 20 percent in the price for rubber "camelback," used to retread worn automobile tires, is under investigation by OPA, and producers are being requested not to advance prices further pending completion of the study, Administrator Henderson announced December 4.

In a letter to camelback manufacturers, Mr. Henderson pointed out the probability that tire retreading volume will expand substantially under the rubber conservation program and that, in consequence, "public dependence upon camelback during the emergency will be very great." Stabilization of the price of camelback is "absolutely essential to the success of the defense effort," he said.

"Since the supply of crude rubber available for camelback is already controlled by Government allocation, price advances in excess of increases in allowable costs of production will not operate either to augment supplies or to accomplish any other justifiable purpose," Mr. Henderson stated.

The three major grades of camelback have increased in price by 12, 15 and 20 percent, respectively, since the beginning of 1941, according to the letter. Manufacturers are requested to notify OPA in advance of any contemplated changes in camelback compound which might affect the quality of the finished product.

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Shoe machinery makers invited to meeting

Manufacturers of shoe machinery have been invited to Washington December 10 to confer with OPA officials on their prices, costs, and other matters necessary for determination of a level of maximum prices, Administrator Henderson announced December 3.

The meeting is one of a series being held by OPA in connection with its studies of the selling prices of machinery in various industries.

Shoe machinery manufacturers are requested in letters announcing the December 10 meeting not to increase prices of rentals on contracts for new equipment and repair parts while the study of their industry is being made.

Meetings to discuss proposed Western pine lumber ceilings

Proposed ceiling prices for all lumber made from Western pine were to be discussed by officials of the Office of Price Administration and lumbermen at a meeting December 8 in San Francisco and at a second meeting December 10 in Spokane, Wash., Administrator Henderson announced December 3.

The San Francisco meeting was to be attended by operators from California, New Mexico, and Arizona and those Oregon operators who wished to attend. Northern operators were invited to the Spokane meeting.

Used for millwork and boxes

Western pine lumber, which includes the ponderosa pine, Idaho white pine, and sugar pine, is extensively used for millwork and boxes. Western pine millwork prices already have been stabilized for the time being by a series of individual agreements with manufacturers, and an investigation of the box industry has been begun.

The proposed price schedule on Western pine lumber will facilitate OPA's efforts to keep stable the prices of millwork and boxes made of this wood.

Any manufacturer of Western pine lumber was invited to be present at either of the meetings.

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Rail industry representatives invited to meeting on materials for 1942

Leading representatives of the railroad industry were asked December 2 to meet December 12 with officials of the automotive, transportation, and farm equipment branch of the Division of Civilian Supply to discuss material requirements for 1942.

Andrew Stevenson, acting chief of the branch, sent invitations to the conference to 88 railway executives, passenger and freight car builders, locomotive builders, and railroad supply manufacturers.

The meeting will be held at 10 a. m. on December 12, in Room 5055 of the Social Security Building, and admittance will be by invitation only. Mr. Stevenson will preside.

Tarred and asphalt roofing prices reduced by schedule effective December 12

A substantial part of the increase that has taken place in manufacturers' prices of tarred and asphalt roofing products since the first of this year is eliminated through a schedule of maximum prices announced December 1 by OPA Administrator Henderson.

The schedule, which will go into effect on December 12, reduces prevailing prices by amounts generally ranging from 5 to 10 percent.

Asphalt or tarred roofing products are primary construction materials. They are used widely in industrial and commercial building and afford roofing protection to the great majority of dwellings. In the defense program, asphalt and tarred roofing materials are used on new plants of all kinds, and in defense housing projects.

Industry operating at capacity

Under the stimulus of the defense effort and heightened civilian activity, demand for asphalt and tarred roofing has risen sharply. The industry is operating at capacity levels and in the first 8 months of 1941 produced in excess of 26,000,000 "squares" (each "square" is enough to cover 100 square feet), the highest output on record for any similar period. This has resulted in lower unit costs to manufacturers. Despite this, however, prices have been raised several times and currently are about 16 percent above the levels that prevailed at the beginning of 1941.

The OPA schedule establishes maximum manufacturers' prices below current levels, but still ample to provide producers with substantial profit.

Wholesalers expected to fall in line

Mr. Henderson said he expected that prices charged by jobbers and wholesalers for the products covered would come down promptly into proper relationship. He warned that if this readjustment did not take place, his office was prepared to broaden the scope of the schedule to include jobbers' and wholesalers' prices.

The schedule applies to the Eastern area the shipping points, freight equalization system and allowance methods now in effect in the asphalt or tarred roofing products industry, including the customary practice of free deliveries in free shipping zones. These systems, practices, and methods are neither approved or disapproved by OPA, Mr. Henderson said. Their inclusion in the schedule merely represents the use of

established trade customs in determining maximum prices.

Nonstandard items at June level

Specific prices are provided with respect to all standard products sold in the Eastern area. Nonstandard items, according to the schedule, shall not sell above the levels prevailing on June 29, 1941.

Because OPA has not completed its study of factors peculiar to the Pacific Coast, the schedule does not set specific ceiling prices for asphalt or tarred roofing products sold in that area. However, it is stipulated that the maximum prices which may be charged on sales for delivery in Oregon, Washington, Idaho, Utah, California, Nevada, and Arizona shall be such that the cost to the buyer shall not exceed that which prevailed on July 2, 1941. The same date is applied to sales in Hawaii and Alaska.

The 3-day difference in dates between the East and Pacific Coast prices is designed to protect from hardship those Western producers who delayed bringing their prices into line with Eastern levels.

It is planned to invite Pacific Coast manufacturers to a meeting in the near future to discuss their situation with a view to amending the schedule to include a specific set of Pacific Coast maximum prices.

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Producers of rolled zinc sheets, strip, plate asked individually to adhere to OPA price list

Producers of rolled zinc sheets, strip and plates will be asked to agree individually to adhere to the list of maximum prices recently issued by OPA, Administrator Henderson announced December 2.

Notice of the forthcoming requests is contained in letters being sent to manufacturers by the administrator in which he expresses belief that "a formal ceiling order is unnecessary in this case, provided we can obtain the individual cooperation of members of the industry."

The OPA-approved price list was effective December 5. Details were given in release No. PM 1664, issued November 29, 1941, and printed in DEFENSE December 2.

Manufacturers must absorb some of increased costs, price executive says

Speaking at the Chemical Exposition in New York City on December 3, Joel Dean, price executive in charge of the industrial and agricultural machinery section of OPA, told the industrialists present: "The prevention of price inflation is a cooperative venture in which every man who makes something for sale can help to apply the brakes . . . The only way to stop it is for each of us to make some sacrifice, to absorb as much of the increased cost as possible, even though it may mean some curtailment of profits."

Further excerpts:

In this task of price administration as it applies to machinery and equipment, we face a number of difficult problems which I should like to present to you frankly.

One problem concerns the kinds of cost increases which do not appear to justify any price increase. Two such cost increases which I should like to discuss are income taxes and anticipated costs.

Corporate income and excess profits taxes are not a cost of production. That fact is universally recognized. Were they to be passed on to the buyer in the form of higher prices, it would represent a change in the incidence of taxation, which is certainly not our function.

Nor is anticipation of higher costs a valid reason for increasing prices. Actually realized costs, as shown on the books during operation over a certain period are one thing, but a company's fear that its workers are going to ask for another wage increase and that prices of some of the materials he buys may be higher next month is no justification for raising sales prices now.

Reduction of output caused by priorities curtailment often results in a higher overhead per unit of output. Whether this should be reflected in higher prices depends on the circumstances.

Must absorb part of increased costs

Now, in considering the cost factors which can be said to justify a higher sales price, we must repeat that it is absolutely necessary for every manufacturer to make some sacrifice, to absorb some of his increased costs. But first let us be sure that they are actually increased costs—that is, costs per unit of manufacture. Take wages. It does not always follow that an increase in wage rates causes an increase in per unit cost; it may be in some cases balanced by greater

output per man hour. The converse, we admit, may sometimes be true. The use of less skilled, less efficient labor may result in higher per unit cost even with a stable wage rate.

Forward pricing for future delivery

One of the more difficult problems involved in machine pricing is forward pricing for distant future delivery.

It is only natural that management should seek some measure of protection in making forward prices. The general tendency has been toward the use of some kind of escalator clause, ranging all the way from reservation of the right to raise the price by any amount the producer finds necessary at time of delivery to the provision that price shall be adjusted in accordance with the Bureau of Labor Statistics indices of material prices and average hourly wages then prevailing.

Objections to the "escalator" system

Let us examine this escalator system. In the Office of Price Administration, we have the opportunity and the obligation to examine closely its wider implications, which reveal certain basic objections.

First, the escalator clause is likely to result in price increases in excess of cost increases.

Secondly, the escalator clause may remove the incentive to economize and may even provide a means for padding the costs to those so tempted.

Third, and most important, the escalator clause guarantees and accelerates the vicious upward spiral which we are all seeking to prevent.

It seems to us that, of all the alternatives which afford protection against possible future cost increases, that one is to be preferred which puts future delivery producers on a par economically with immediate delivery producers. Full protection for forward pricing could, therefore, be had by using a clause in the sales contract which permits revision of price—subject, of course, to the purchaser's right to cancel—if the Office of Price Administration revises the ceiling on the class of machinery.

Problem of custom-built equipment

Finally we come to what would seem to be, on the face of it, our most difficult problem—the problem of made-to-order, or custom-built equipment.

As we break it down into its elements, however, certain approaches to the problem have proven successful in similar industries. In the first place, we find that in many instances what seem to be spe-

cial machines may be stripped down to a common base or bare machine to which have been added a certain number of accessories or appurtenances. In such cases, the problem may be narrowed to one of pricing alternative combinations of accessories.

Another method is to compare the specially designed unit with its nearest standard equivalent and then analyze price differences in terms of added design and construction costs, or in terms of added output potentialities.

A third solution is to express prices in terms of some input or output common denominator, such as price per pound or per kilowatt-hour output.

A fourth solution would be to freeze the methods of estimating as of a certain date.

The machinery section of the Office of Price Administration has advocated that wherever it is necessary for continued operation of a business to make price advances, the percentage of advance on repair parts should be less than on new machines.

In closing, may I emphasize again that this matter of price control, of putting the brakes on inflation, is a task in which each and every manufacturer must take his share of the responsibility.

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Governors' aid sought in waste paper salvage campaign

Cooperation of governors in the various States in impressing upon the public the importance of conserving waste paper as a defense measure has been asked by OPA Administrator Henderson in a letter to State executives.

Mr. Henderson's letter to the governors is in line with the OPA policy of aiding in every way possible the conservation campaign started some time ago by the waste paper consuming industries. Mr. Henderson's action has the approval of the Bureau of Industrial Conservation in the Office of Production Management, which is undertaking a long-term waste material conservation campaign.

Four specific suggestions were made to the governors:

1. Make sure that all State and municipal institutions and buildings stop burning waste paper immediately.
2. Urge all State, county, and municipal authorities to put real effort behind this drive.
3. Urge the public in press conferences and radio addresses to conserve waste paper.
4. Urge the charitable organizations and waste-paper dealers in each State to put every effort behind greater waste paper accumulation.

Need to combat waste makes consumer aid vital to defense, says Miss Elliott

Seeing that consumers get the best value for their money is vital to defense, Miss Harriet Elliott, associate OPA administrator in charge of the Consumer Division, said on December 2—for "any weakness, any waste, any improper use of our economic or material resources will, at some point of place or time, hinder the defense program." She also pointed out to her listeners at a dinner sponsored by the National Consumer-Retailer Council, Inc., that promotion of standards will not result in "regimentation" and is not concerned with limitations of styles, patterns and colors.

Excerpts follow:

From a number of frank and friendly businessmen we in the Consumer Division have had a question asked of us. It usually comes up in some such fashion as this. Our questioner will say: "Of course, Miss Elliott, we certainly believe that the consuming public should get the best value available for their money and we in our business are doing the very best we can to see that they do. But, Miss Elliott, *what on earth has that got to do with defense?*"

I'd like to describe to you the role that the Consumer Division has in the defense picture, as I see it, and what makes that role imperative to the success of our national effort.

Waste hinders defense

... Our land of plenty is insufficient to meet today's need in the short time history has allotted us. *We don't have surpluses. We do have scarcities.* And any weakness, any waste, any improper use of our economic or material resources will, at some point of place or time, hinder the defense program.

It is this urgent need to eliminate waste, to avoid the loss of economic energy, that has thrown the problems of the consumer into the very heart of the defense program.

Need "down-to-earth" information

But consumers alone cannot, either through personal discipline, or by the most diligent reading of all the pamphlets, books and speeches ever written on the subject, become efficient home purchasing agents without *your* help—concrete, down-to-earth, reliable, scientifically-accurate and easy-to-understand information about the qualities of the goods you offer for sale.

It is another one of the jobs of the

Consumer Division to gather and sift such information on performance standards, specifications, quality controls and construction standards, and to promote the widespread use of this information among both consumers and business.

Standards are not regimentation

Our press and information department tells me that there's nothing that sets their telephones ringing so urgently as any statement, or the rumor of any statement, about standards from the Consumer Division.

This confusion which allows the word "standards" to take on connotations of the word "regimentation" must be cleared up.

Let's take an imaginary example of how the Consumer Division would approach a single standards problem and see if it won't serve to illustrate concretely what standards mean. Let's suppose that a price order were under consideration for, say, broadcloth shirts. What would the Consumer Division recommend in that case? Would we recommend standards?

Yes, I believe we would. We would recommend, for example, that broadcloth be actually broadcloth and we would probably refer to our fabrics definition committee, which has already been set up, for the definition of the term. We would further recommend that broadcloth shirts in specific price ranges be of a certain minimum standard of fabric construction. We would probably further recommend the acceptance of certain existing recommended standards for shirt sizes, and we would almost surely recommend maximum shrinkage tolerances.

Infinite variations allowed

Would any of these recommendations mean that all broadcloth shirts would look alike? No. Not a single one of them. I want to call your attention to the fact that such a recommendation in combination with style, pattern and color, would allow infinite variations to consumer needs and tastes. Now, that's *not* to say, that throughout this defense emergency, there *won't* be any limitations on such variations. There may very well be. But such limitations won't come from standards. They will be the requirements that the simplifications program of the Office of Production Management may find essential.

I would like, however, to make this

clear to you. The Consumer Division holds no brief whatsoever for standards, as such, or standards, as a principle.

Wherever such standards, or specifications, make no contribution, or in any way hinder the rapid building of economic strength, then the Consumer Division must recommend against them.

But I earnestly urge that all of us keep this in mind during these coming months. Unless we take steps to avoid such an eventuality—through the use of standards, specifications, or quality controls—we may find that some of our conservation efforts result in increased waste.

Let me cite you an example. In a commercial testing laboratory a sample of hose was submitted recently that had been worn by the customer of one of that laboratory's clients for 2 days. The hose were of nylon. The manufacturer of this particular brand had attempted to conserve nylon by making the welt (top) and after-welt of the hose from cotton. Into the after-welt, a single thickness of cotton, he had inserted a lace-type run stop. This particular lace insert was unduly weak and gave way. The result was that that pair of hose was damaged with runs and rendered useless the second time they were worn.

Here was waste, not only of that consumer's income, but of nylon and all the economic energy and plant it took to produce those hose.

There is no way that I know of to count, in either dollars or tons, the losses that waste of this sort might thoughtlessly promote but no one would deny that its totals could run disastrously high.

Food industry commended

Sitting here at the table are representatives from another industry, the food industry, and to you, who are concerned with textiles solely, they could tell a story that would illustrate that you in the textile field have no monopoly on this whole problem. These gentlemen represent a group who have pioneered some courageous policies in labeling, in giving to their customers more specific information about some of the goods they buy and I want to compliment them and urge that the whole food industry join in this program of promoting more informative and specific labeling and advertising.

For today, the informed, intelligent consumer is to you, in the textile business, one of your greatest assets in avoiding the pitfalls and misinterpretations that are so likely to accompany times like these.

Defense News for Consumers

Your Milk Dollar

In appreciation of the danger that a reduction in milk consumption may result from increasing prices, Miss Harriet Elliott, associate administrator of the Office of Price Administration in charge of the Consumer Division, this week outlined steps consumers may take to stretch their milk dollars.

Calling attention to the value of milk as a protective food and an important source of mineral, protein and vitamin food essentials, Miss Elliott warned consumers not to reduce their consumption of milk below a minimum of the new national yardstick for good nutrition: 3 to 4 cups a day for children, 2 to 3 cups for adults.

She suggested that the price rises, which have been taking place all over the country, be countered by intelligent action on two fronts:

1. In the kitchen, where milk money may be stretched as far as possible through the supplementing of whole milk, in food preparation, with various low-cost milk products: Evaporated milk, skim milk, dried skim milk, buttermilk, American cheddar cheese, cottage cheese.

2. By the formation of groups that will seek to eliminate the "frills" in milk distribution that increase the spread in price from cow to consumer.

Nearly half the cost of milk delivered on the doorstep in quart or smaller bottles is a delivery charge, Miss Elliott pointed out. One way in which this charge may be reduced is the formation of buying clubs, which will bargain with a dealer to deliver milk to its members at a lower price by reducing delivery costs. For instance, milk left every other day instead of daily in large-sized containers will lower costs, a saving which should be passed on to consumers.

Where consumers buy their milk in stores, they should expect a lower price, since costs are also lowered. In 99 cities surveyed recently, savings on cash-and-carry milk ranged from 1 cent to 8 cents. In Chicago and Dallas, for example, milk can be purchased in gallon jugs at considerably lower cost per quart.

Consumers also should expect to get their milk at a lower price if it is bought in paper containers, since they eliminate the cost of bottle washing, breakage, storage, and handling charges.

The Consumer Division executive sug-

gested that local organizations investigate the operations of three Government milk programs in light of possible application to their community. These are: The hot-lunch program carried out through the cooperation of the Federal Surplus Commodities Corporation, the penny-milk plan now in operation in a few cities carried out under regulations of the Department of Agriculture which makes half-pints of milk available to school children for a penny; and the five-cent milk program under which milk at five cents a quart is available to low income families through a special marketing arrangement of the Department of Agriculture.

Conserving Soap

Miss Elliott has appealed to consumers to conserve soap and soap products to the fullest extent in the interest of national defense.

Soaps are made basically of fats and alkalis, to which are added borax and fillers such as pumice for scouring. Today there is a domestic shortage of the basic ingredients. Many must come from the East Indies, from South America, and from Europe, and shipping facilities are limited. Thus, conservation of soap becomes imperative.

Good buying is the first step in such conservation. Housewives should buy soap for a specific need. For toilet purposes, a mild neutral soap is best. Soap with free alkali irritates the skin, rots fibers, fades colors, yellows white goods. There are many good neutral soaps available at any price the purchaser wishes to pay. Higher priced soaps may be harder milled, hence longer lasting. But often packaging, perfumes, and advertising account for the added costs. The flake, granule, and powdered soaps are more convenient to use, but are more expensive than bar soap. Ordinary bar soap may be grated on a simple kitchen grater, thus effecting a saving.

For general household laundering and cleaning, stronger soaps may be used. Yellow laundry soaps contain rosin which facilitates lathering, but may leave a sticky residue. However, yellow soaps are likely to contain more real "soapiness," i. e., cleansing action, than white soaps, which are usually made with sodium silicate (water glass). This aids the cleansing action somewhat, but ab-

sorbs and holds water, thus reducing actual soap content.

It has been found more economical to use water softeners such as borax and trisodium phosphate directly with a cheaper soap than to buy a soap with the softener in it. So-called naphtha soaps contain little naphtha. "Fluffy" shaving soaps and soaps which float contain large amounts of air, which the buyer pays for.

Housewives are advised to purchase soaps in fairly large quantities. Bars should be unwrapped, and the soap allowed to dry out. It will then keep without disintegrating for an indefinite time. If package flakes or powder is used, extreme care should be exercised against waste, since more soap is wasted by careless use of this type than in any other way. Soap should not be left in the water after sufficient suds have formed. Bits of soap can be used in a "soap-saver," or, if they are of a good mild neutral soap they can be shaved thin, melted and used for shampoos. Whiting and water can be substituted for more expensive gentle scouring agents. In these ways, the use of each type of cleansing agent can be reduced appreciably.

Maine Schools Adopt "War Against Waste" Lesson

The State of Maine's secondary schools will use the War Against Waste lesson as a basis for classroom discussion of the consumer's role in national defense, it was announced last week by the Consumer Division, OPA.

State Commissioner of Education Harry Gilson is now working on plans for introducing the outline into every high school in the State.

Prepared by the staff of the Consumer Division, the lesson is intended to inform students why and how critical supplies required for national defense and essential civilian uses should be conserved.

The lesson, together with supplementary background material, including "The Consumer's Pledge for Total Defense", is available to schools on application to the Consumer Division, Office of Price Administration, Washington, D. C.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF DEFENSE. The SUPPLEMENT will be mailed to any paid subscriber of DEFENSE on request to the Distribution Section, Division of Information, OEM.

PRICE SCHEDULE ADDITIONS AND CHANGES

Following are additions and changes November 11 to December 4 in OPA price schedules. A complete list of schedules issued up to November 11 appeared in *DEFENSE* November 18. Hereafter changes will be catalogued monthly in *DEFENSE*, which will continue, also, to publish details of all price actions as they occur.

NEW SCHEDULES

Price Schedule No. 40, Builders' Hardware and Insect Screen Cloth, issued November 13, 1941; correction FR error, November 18, 1941.

Price Schedule No. 41, Steel Castings, issued November 14, 1941. Form 141:1.

Price Schedule No. 42, Paraffin Wax, issued November 21, 1941. Form 142:1.

Price Schedule No. 43, Used Steel Barrels or Drums, issued November 24, 1941. Form 143:1.

Price Schedule No. 44, Douglas Fir Doors, issued November 27, 1941.

Price Schedule No. 45, Asphalt or Tarred Roofing Products, issued November 29, 1941.

Price Schedule No. 46, Relaying Rail, issued December 2, 1941. Form 146:1.

CHANGES IN SCHEDULES

Price Schedule No. 4, Amended and revised November 24, 1941.

Price Schedule No. 14, Correction, FR error.

Price Schedule No. 19, Amendment No. 2 issued November 18, 1941; correction to Amendment No. 2 issued November 21.

Price Schedule No. 32, Amendment No. 3 issued November 25, 1941.

Price Schedule No. 33, Amendment No. 1 issued November 26, 1941.

Price Schedule No. 35, Amendment No. 1 issued November 26, 1941.

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All bakery goods producers given A-10 on repair, maintenance items

Interpretation No. 3 of Preference Rating Order P-22, issued December 5 by the Priorities Division, establishes the right of all producers of bakery goods, whether or not these goods are distributed in wholesale or retail trade, to make use of the A-10 rating which the order assigns to the acquisition of repair, maintenance, and operating supplies.

News for Retailers

Rubber Footwear

Request to refrain from advancing present prices of rubber footwear without consulting OPA is contained in a letter sent December 4 to 27 manufacturers by OPA Administrator Henderson.

OPA has information indicating that rapid price increases have taken place in almost all types of rubber footwear in recent months, Mr. Henderson states. Since rubber footwear is purchased in significant quantities by low and middle income groups of the population, he adds, substantial price advances are disturbing to civilian morale and contribute to inflation. The letter discloses that an appraisal of price rises that have occurred thus far is being undertaken by OPA.

Rubber footwear to which the request applies embraces all types of rubber waterproof and canvas-rubber-soled footwear, including sandals and specialty oxfords, but not leather or felt rubber-soled shoes.

"Pending the results of a study which we are undertaking in order to appraise these price increases," the letter says, "I request you herewith to refrain from increasing your price on any item of rubber footwear beyond the present level, or from modifying your discount schedules, without first consulting this Office. * * * I further request that you notify this Office in advance of any contemplated changes in style or design, or proportion or quality of materials used in construction which might alter the quality of this product."

Ryan appointed hides inspector at Chicago regional office

Appointment of Thomas F. Ryan, of Chicago, as hides inspector at the Chicago regional office of OPA was announced December 5 by J. K. Galbraith, assistant administrator.

Mr. Ryan is widely known in the hides trade in which he has been engaged for 40 years. For the past 12 years he has been chief of the hides inspection bureau of the Commodity Exchange, Inc., New York.

In his new position Mr. Ryan will oversee the technical provisions of the OPA maximum price schedule on hides, kips,

Agreements Set \$39.50 Top for Six Lines of Mattresses

Several leading bedding manufacturers have agreed individually with OPA not to increase above \$39.50 the price of six nationally advertised lines of innerspring mattresses, Administrator Henderson announced December 3.

This involves revision of recent price advances by some mattress makers. The country's largest bedding manufacturer, the Simmons Co., previously had withdrawn a \$5 increase in the price of its \$39.50 line at OPA's request.

Mattresses involved in the agreements include: Simmons' "Beautyrest," Burton Dixie's "Vanity Fair," Sealy's "Sealy Rest," Triple Cushion's "Four Star Triple Cushion," Palmer's "Palmer's Regency," Serta's "Perfect Sleeper," and Spring Air's "Model 40."

Petroleum Prices

Adequate publicity will be given to any decision by OPA on applications for increases in the price of petroleum products, Administrator Henderson announced December 2 in response to inquiries.

The question arose following publication by OPA of a letter sent to members of the petroleum industry on November 28 outlining the scope of Mr. Henderson's earlier request that no increases be made over November 7 prices for petroleum products without first submitting the matter for OPA approval.

and calfskins, with particular regard to price differentials, "upgrading," tare allowance, selection, and delivery. Inspections will be made of hides involved in sales.

Special attention to "upgrading"

"Upgrading" of calfskins and purchase of green skins by tanners at higher than ceiling prices are two prohibited practices to which Mr. Ryan will give special attention. The "upgrading" involves sales of skins of "country" or "city" grades at "packer" classification prices. In this connection, it is pointed out that many more skins are being sold currently as "packer" skins than ever before.

CONTRACT DISTRIBUTION . . .

Rules laid down on approval of production associations to bar "dubious promoters"

"Dubious promoters," seeking commissions on defense jobs, were barred from participation in defense production associations December 8 in a bulletin sent by Floyd B. Odlum, Director of the Contract Distribution Division of OPM, to the 81 field offices maintained by his division.

Defense production associations are being organized by groups of small manufacturers in many sections of the country to seek and execute defense contracts or subcontracts they cannot handle individually.

In order to protect legitimate production associations against trouble under the Federal Anti-trust laws, which forbid combinations in restraint of trade, John Lord O'Brian, General Counsel of OPM, and Attorney General Francis Biddle agreed recently that organization plans of each proposed association must be approved in advance by the OPM and the Department of Justice.

Limits put on approval

Mr. Odlum advised field offices of the Contract Distribution Division as follows in the bulletin:

"This Division, in undertaking legal clearance of proposed associations, must give consideration to the character of sponsorship of the organization in order to forestall as much as possible the activities of dubious promotional organizations collecting fees for membership and exacting payment of a percentage of the amount of defense work obtained by member-plants. Accordingly, under present policy, clearance will be limited to the following cases:

a. A defense production association representing manufacturing units in a given community or industry, sponsored and organized by the members themselves, or by public or civic agencies acting without profit.

"b. A defense production association representing manufacturing units in a given community or industry organized by a manufacturing concern equipped with physical facilities for participation in the performance of defense contracts or equipped to provide substantial services in connection with the performance of such contracts by other members of the association.

"As a corollary to the foregoing rules, the following rule will be applied:

"c. So-called defense production associations, organized or sponsored by third parties for the purpose of inducing membership of manufacturing units upon an agreement to pay a percentage of the amount of defense contracts obtained will not be cleared."

Contracts bar contingent fees

"Mr. Odlum also called attention to the fact that standard forms of Government contracts contain a 'covenant against contingent fees' in substantially the following language:

"The Contractor warrants that he has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by Contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business."

Groups asked to notify field offices

Individuals or groups desiring to form defense production associations were advised by Mr. Odlum to notify the nearest field office of the Contract Distribution Division field offices were asked to obtain as much as possible of the following information in each case:

(1) The name of the person or organization sponsoring the formation of such Association.

(2) If the association is being sponsored other than by the participating plant or a public or civic agency acting without profit, give a brief statement of the character, background, and business history of the sponsor and describe what services will be provided by such sponsor and on what basis the sponsor will be compensated.

(3) The general plan of organization of such association.

(4) The names and locations of the concerns which it is proposed will participate in such Association.

(5) General character of the business of each of the participating concerns.

(6) The general type of manufacturing operations which it appears the participating concerns may be qualified to engage in (textile, metal fabrication, etc.).

(7) The number of employees of the participating companies.

(8) A description of the relative sizes of the participating companies.

(9) Present business and employment conditions of the participating companies, with regard particularly to the effect of priorities or material shortages.

(10) General character of employees in relation to skilled, semiskilled, or unskilled labor, and relative proportions thereof.

(11) General employment conditions in the area with regard particularly to the labor demand in the area in connection with defense production.

(12) What arrangements are proposed to be made between the Association and its members, or between the members themselves, for (a) subcontracting of parts and components, (b) supervision of production operations, and (c) fees to be paid or other financial arrangements.

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NEW FIELD OFFICES

Opening of 5 additional field offices to help qualified manufacturers obtain defense work was announced last week by the Contract Distribution Division bringing the total number of such offices to 81. The new offices and their addresses are:

Manchester, N. H.—Amoskeag Industries Building, Stark Street.

Reno, Nev.—Saviers Building.

Montpelier, Vt.—12 State Street.

Columbia, S. C.—Room 204-206, Manson Building, 1207 Taylor Street.

Erie, Pa.—Erie Trust Co. Building.

The following offices have been enlarged:

Norristown, Pa.—Norristown Penn Trust Building Main and Swede Streets.

Bridgeport, Conn.—Professional Building, Main Street.

Harrisburg, Pa.—Blackstone Building, Third and Rivers Streets (Ritchie Lawrie, Jr., acting manager).

Reading, Pa.—615 Penn Street (E. Laurence Chalmers, acting manager).

York, Pa.—Manufacturers' Association Building, 25 North Duke Street (Richard S. Cole, acting manager).

Information on defense orders sent throughout U. S. to give chance to bid

The OPM Contract Distribution Division is sending throughout the United States information on defense orders, to give out-of-the-way plants a chance to bid, Director Odum said on December 3. He said he was recommending steps to keep 133,300 small plants alive until their usefulness to defense or essential civilian work can be determined. He also outlined to the Congress of American Industry, meeting in New York City, the organization and methods used so far to spread defense work, and plans for the coming year.

Excerpts follow:

Contracts had already been let on most of the items for which planning in detail had been completed. We found it necessary to have experts to get into the planning stages of what orders are to come next month, or next spring. That's what we have done.

From scratch we have assembled in our Washington office close to 300 employees. A substantial number of them are technically trained men, and a great many of them are now working with the Army and Navy, finding out what is needed that can be turned out by small and currently unused plants.

We now send throughout the United States notices of work to be bid on, and we get them out at least two weeks before the bidding. This gives the out-of-the-way plants opportunities that they did not have before to become prime contractors. We now send out daily a list of contracts that have been let so that the scattered concerns may better know where to search for subcontracts. And before long we hope to let this vast group of small outfits know about many things that will be up for purchase one, two, or even three months ahead—so they can prepare.

1,000 field employees

To reach these concerns we needed a vast field organization. It is being set up along State lines—already we have about 80 offices and about 1,000 field employees. Before the end of the year, every State will be covered in this way. Some industrial States already have several offices.

Since September, our division has certified to the armed services for special consideration in contract awards a total of 11 distressed areas, including more than 125 plants, as well as the entire washing machine industry. The total of

contracts placed as a result of these certifications runs to 35 million, 500 thousand dollars. Now under study are about a hundred areas which face potential distress. They are bumping into the grim realities of material shortages.

We have put veritable catalogues of needed defense equipment and parts on wheels and sent them over the country in three special trains so that the men of little industry, whose accumulated skills turned out refrigerators, vacuum cleaners, stoves and baby buggies, can see the pieces that go to make tanks, guns and planes and decide for themselves what they can do to defend America. These traveling "market place" exhibits have clarified the status of thousands of manufacturers. Some know now that they are destined for defense work; others that they are not adapted to it and must look to civilian needs to keep their plants busy.

To hold 200 major clinics

We've already had get-togethers of prime contractors and small businessmen in New York, Chicago, Kansas City, Los Angeles and other cities. They've put thousands of firms on the road to subcontracts.

By now we know that the clinic idea is a good one. With the help of you manufacturers we're going to put on more than 200 major clinics next year and a lot more little ones for the smaller towns. But we don't want to run the big contractors ragged with invitations to a dozen different clinics at the same time, so we're working out an orderly plan. We're dividing the country into four big regions and organizing a clinic circuit in each region. That will give us four major clinics a week. With that set-up, you fellows can do a devil of a lot in a year's time to make Hitler throw in the towel.

Pooling of the facilities of small manufacturers seems to be another effective approach. We are urging that such pools be formed. We have a special organization to help after the initial promotion stages and to try and guide pools through to ultimate business. Several pools are already working on orders received. There are about a hundred that we are working with today to some degree or other.

Nor have we forgotten the big prime contractors. They have been asked to take up subcontracting in an organized way within their own ranks as a national

patriotic policy. We have a special unit following them up, working closely with them and trying in every proper way to get work spread through them more and more.

Urges small plants be kept alive

Seventy percent of our manufacturing establishments employ 20 people or less. They are the scattered plants that support small communities. They are spread throughout our land almost proportionately among the States.

There are 133,300 of these very small plants. They are so numerous that, before we could reach them on a plant-by-plant basis and decide which should be converted to defense and which kept in civilian production, thousands would die from material shortages. Their workers and managers would be scattered, their productive capacity lost both to the war front and the home front. Neither the Contract Distribution Division nor any other agency could revive them during the period of this emergency and, in many cases, they would be dead for all time.

I say we should allow these firms employing 20 or less enough scarce materials to keep them alive until we can reach them and find out what they're best fitted to do. We know that some proportion of them can in time be brought into defense work. Two percent of the scarce material supply would keep them all alive for six months, four percent for a year.

Exceptions could be made in the case of some extremely scarce materials, like aluminum. But in general the handful of materials needed to keep these little companies going would be available.

I would link with this plan a requirement that any of the small plants refusing a reasonable offer of defense work would suffer a corresponding cut in its materials allowance.

With a program like this in effect for the firms employing 20 persons or less, the Contract Distribution Division and the Armed Services could concentrate in the immediate future on shifting more of the larger companies from civilian to defense production in the shortest possible time. Here the plants are few enough that we can hope to reach them and make a fair decision within the time we have.

I am convinced that a life-giving grant of materials to the very small concerns is essential to the mobilization of our maximum productive power. I am presently presenting my case on this matter to the responsible officials and I anticipate a decision soon.

Big business must help little business, Nelson warns in speech to manufacturers

Big business must help little business in a redoubled defense effort if free enterprise is to prove its worth and survive, Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, warned on December 3. And "if industry for the duration of this emergency must forego some of its accustomed ways of doing things and temporarily give up some of its privileges, so too must labor."

He spoke to the forty-sixth Congress of American Industry, held by the National Association of Manufacturers in New York City. Excerpts follow:

One of the great things at stake in the present national emergency is nothing less than the preservation of private enterprise in this country; and the blunt companion truth to that is the simple fact that if private enterprise is going to come through this ordeal it has got to undergo considerable improvement.

I do not say that as an unfriendly critic of industry. I am a business man; I have been one all my life, and I have no desire to be anything else. I have an acute selfish interest in wanting to see our free system of private enterprise come through this emergency intact.

We are today making military expenditures at the rate of approximately one and three-quarter billion dollars a month. Considering the fact that this program got started less than eighteen months ago, that is an amazingly fine achievement: yet it unfortunately remains true that production at that rate *won't beat Hitler*. It won't even keep Hitler from beating everybody else. I believe that at the very least that production volume must be doubled.

Government can't do job alone

Obviously, if we undertake to double current armament production—as I am convinced we must do—and set ourselves to turn out military goods at a rate of better than 40 billion dollars a year, the future demands on American industry are going to be ever so much greater than they have been so far. It is equally obvious that as the demands increase so also does the responsibility. The Government can't do this job alone. It can chart the program, set the sights, put up the money, and coordinate the various efforts—but the actual job of getting the goods out must be done by industry itself.

I believe that in our present emer-

gency it is up to the big fellow to help the little fellow. There are a good many ways in which he can do that. The most obvious, of course, is through subcontracting. A large corporation holding large prime contracts under the defense program has in its possession a huge amount of this aid-to-small-business which we talk so much about these days. Should the large corporation wait for an act of Congress, a directive from the Secretary of War or an order from someone in the Office of Production Management before it farms out a substantial portion of that work—or should it act on its own initiative in the matter? I think it should act on its own initiative. I think it ought to—it *must*—make every possible use of the facilities which exist outside its own corporate walls, consistent with the meeting of its contractual obligations.

And that is not all of the story, either. I can think of no good reason why our large manufacturers should not actively aid our smaller producers on this whole problem of conversion. There are engineering and research skills and services which can be made available. There are, I believe, extensive possibilities in the way of the sharing of knowledge, assistance in the matter of pooling resources, guidance and help in the bringing together of separate productive resources. I am convinced that in this broad field it is up to the big manufacturer to extend a helping hand to the little manufacturer.

System of free enterprise at stake

All of this may sound like strange advice. The world of business has always been fiercely competitive: I hope and pray that it will remain so. Why, then, this talk of big competitors helping little ones?

It is nothing less than our whole system of free enterprise which is at stake in this crisis. That system will survive *only* if it proves that in a time of great crisis like the present it can continue to function as a serviceable and efficient mechanism. And our national productive system will not be a serviceable and efficient mechanism if, in this hour of unprecedented demand for goods, it develops that only those productive facilities which are in the hands of the huge and powerful corporations can be kept in production.

In other words, we face this simple fact: American industry today is under

the necessity of shaping its policies by something above and beyond the daily profit-and-loss balance sheet. The good of the Nation rises superior to all other considerations. We have got to show that capitalism can and will meet the requirements of a national emergency if we wish to have capitalism continue to exist.

Take a simple example. Consider any industry which produces one of the raw materials which we need so badly. The emergency, of course, calls on that industry to produce as much of that material as is humanly possible. Since the demands are so overwhelming, we run into a shortage of that material. Because of that shortage, we are obliged to ration the use of that material very sharply; and because it is so rationed and controlled, a considerable number of business firms are forced to the wall and large numbers of people are very seriously and painfully affected.

Effect on post-war good will

Now suppose, after the emergency ends, that it develops that this hypothetical industry has not, in fact, been producing to the limit of its capacity. Suppose it restrained itself, either because it feared some glut of productive capacity after the war, or because it hesitated to admit new competitors to its own field, or because the profit margin happened to be greater at less-than-capacity production than at full capacity. Do you for one minute suppose that the American people will then be disposed to consider that that industry has met its responsibilities in this emergency? And do you imagine that any industry which is considered not to have met its responsibilities is going to have an easy or a pleasant time of it thereafter?

Now, of course, all that I have been saying here about industry's responsibilities in this emergency applies equally to all of the groups and divisions which make up our great American society. If industry must exercise vision and self-denial, so also must labor; if industry for the duration of this emergency must forego some of its accustomed ways of doing things and temporarily give up some of its privileges, so too must labor.

More than anything else today, we need a unity of industry and labor in this emergency. I don't mean an impossible sort of unity, in which no employer ever says "no" to a labor spokesman and no union ever dreams of talking about a strike. I mean the kind of unity which comes to strong, self-respecting, and independent groups which realize to the full the fact that they are on the same side, working in a common cause.

MEDIATION BOARD . . .

225,000 truck drivers on the job pending arbitration of wage dispute

The National Defense Mediation Board last week (December 1-7) had, for the third time in its 8 months of existence, no work stoppages in any cases pending before it. A total of 358,616 men are at work for defense in 32 cases while waiting for the Board to settle their disputes.

The Board also opened hearings in three cases last week, in one of which interim recommendations were made; appointed a special representative in a second case, and received certification of two new cases.

Central States Employers Negotiating Committee

On December 2 the Board opened arbitration proceedings in the second largest case in its history—the wage dispute involving 225,000 over-the-road drivers and 800 trucking companies in 12 midwestern States. A strike, which would have crippled transportation of defense materials in that area, was averted when the International Brotherhood of Teamsters, AFL, and the Central States Negotiating Committee representing the employers, agreed to submit the dispute to the Board for binding arbitration. A six-man panel—William H. Davis, Board chairman, Ralph T. Seward, Roger Lapham, Gerard Swope, George Meany, and Robert Watt—heard statements from both parties for 4 days. On Friday, December 5, hearings were recessed for 10 days to allow a subcommittee to assemble the necessary statistical data and other pertinent facts.

This committee, which is composed of representatives of both parties and Mr. Seward, representing the Board, will work all week, and on December 15 and 16 final hearings will be held and the Board will subsequently issue its decision.

Burgess Battery Co.

On Monday, December 1, a panel composed of Walter T. Fisher, Charles E. Adams, and George Lynch, opened hearings in the dispute between the Burgess Battery Co., of Freeport, Ill., and the International Association of Machinists, AFL. A strike of 750 men at the plant had been called off at the Board's request and the men returned to work November 26. The issues in dispute that had caused the strike were wage increases, demand for a closed shop, and negotiation of a contract.

After 3 days of hearings, interim recommendations were issued providing for the appointment of a special representative to investigate the company's wage rates. He will submit to the Board a written report containing wage recommendations. The recommendations also stated that questions regarding the appropriate bargaining agency, and charges of unfair labor practices pending before the National Labor Relations Board should be left to that body. The Mediation Board will, however, request the NLRB to expedite the disposition of these matters. Both parties accepted the Board's interim recommendations. The hearings before the NDMB are recessed until the report has been submitted by its special representative. The company makes batteries and electrical sound equipment, and 50 percent of its production is for the Signal Corps and the airplane industry.

American Shipbuilding Co.

Hearings on the dispute between the American Shipbuilding Co., Cleveland, Ohio, and the International Brotherhood of Boiler Makers, Iron Shipbuilders and Helpers of America, and the United Association of Plumbers and Steamfitters of the United States and Canada, both AFL, opened on December 1. The panel in the case is composed of Walter P. Stacy, Frederick S. Fales, and James Wilson. On December 5, an agreement, the terms of which were not revealed, was reached and is subject to union ratification. Wages and a demand for the union shop in renewing the contract were the issues in the controversy, which affects 3,000 men. The company is engaged in shipbuilding and repair work, and in constructing mine sweepers and tenders for the Navy.

Nevada Consolidated Copper Corporation

Frank M. Swacker of New York City was appointed by the National Defense Mediation Board last week as its special representative to investigate the issues in dispute between the Nevada Consolidated Copper Corporation, Ely, Nev., and the Brotherhood of Locomotive Engineers. Mr. Swacker is a New York attorney and has acted several times on cases before railway adjustment boards. Two days of hearings last month had

ended with both parties returning home to await Board recommendations. Mr. Swacker will report his findings to the Board and in the meantime, both parties have been requested to maintain the status quo.

The company produces copper and employs 6,000 men, who had called off a threatened strike at the Board's request.

New cases

The two new cases certified to the Board last week involve the Nevada Consolidated Copper Corporation of Santa Rita and Hurley, New Mexico, and the Metal Trades Council, AFL; and three sugar refining companies in New York City and the International Longshoremen's Association, AFL.

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Regional information officers' addresses are changed

The following changes have been made in the addresses of Office for Emergency Management regional information officers:

New York City.—Clifton Read, 703 Chanin Building, 122 East Forty-second Street.

Cleveland, Ohio.—Samuel Slotky, Fourth Floor, Union Commerce Building.

Boston, Mass.—E. Bigelow Thompson, 17 Court Street.

Dudley Hovey, former information officer at Boston, was succeeded by Mr. Thompson December 6.

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Two groups merged in leather and shoes section

The merging of the leathers, hides, and skins section and the shoes and leather goods section, of the textile, leather and equipage branch, Division of Purchases, OPM, was announced December 5 by Douglas C. MacKeachie, Director of Purchases.

Maj. J. W. Byron was designated as chief of the new leather and shoes section. Maj. Byron has been associated with OPM since May 1941, and has been in charge of the leathers, hides, and skins section.

LABOR . . .

Build labor force of persons unqualified for Army, War official urges

The United States has "virtually no immediately available reserve of workers left in most of the essential defense occupations," Lt. Col. Joseph F. Battley, chief of the Labor Division of the Office of the Under Secretary of War, told a conference of Army and Navy officers and OPM Labor Division officials gathered in Washington December 5 to discuss problems of labor supply throughout the New England and Middle Atlantic States.

The international situation "has driven home the basic fact that we must become a totally armed Nation both in men and machines," Lt. Col. Battley said. "We can no longer expect to superimpose military demands on peacetime needs. Both normal peacetime production of industry and normal peacetime activities of men must yield."

Not enough of physically fit to go around

Attending the 3-day conference were 30 representatives of the Under Secretary of War, the Under Secretary of Navy, and the Selective Service System assigned to the Eastern Seaboard States as advisers on occupational deferment and labor supply for defense industries. The officers are also members of the OPM Labor Division's regional labor supply committees.

Emphasizing the need for employment of persons not qualified for military service, Battley declared that employers and training courses have neglected those "over age," those physically disqualified, and women.

The active competition between the armed forces and industry for the young, the physically superior men must cease—there just aren't enough to go around, he asserted. Rigid restrictions to prevent poaching and raiding between employers, a practice that has already assumed serious proportions, cannot be avoided unless greater voluntary cooperation can be secured, Battley continued.

Those not fit for Army must be trained

The huge training programs for defense workers, now in operation, must be "supervised with a view to training men for defense employment who are not liable for military service because of physical defects and age," the officer said.

"In the event of a shooting war, with

a vastly expanded production program and with depletion of our labor resources by the armed forces, our great problem will be to get the necessary workers for war industries," Battley declared.

Regardless of the extent to which the labor force is expanded, however, there must be increased efficiency in its use, Battley continued. "Jobs for which skilled, all-round workers formerly were required must be simplified through breaking down operations and provisions

for specialization. More and more efficient foremen and supervisors must be developed," he said.

Reexamination of Selective Service registrants in class 2-A—men necessary to the "national health, safety and interest" in nondefense fields—and in class 2-B—men in essential national defense jobs—is contemplated, Battley said. "When our military manpower needs multiply vastly, when our industrial production levels off, when our industrial training programs succeed—and it seems that all of these things are happening or will happen—then you will be told that it is the time to look into class 2-B deferments."

Civilian industries told ten ways to get defense work, avert priority unemployment

How a nondefense industry, its companies and its labor organizations, can cooperate with the Government to get defense work and avert priority unemployment was outlined December 5 by the Labor Division of OPM.

Ten specific steps to be taken were outlined by Ralph R. Kaul, consulting economist of the Labor Division's Priorities Branch, in a speech December 5 before a meeting of the Institute of Cooking and Heating Appliance Manufacturers in Cincinnati, Ohio.

This industry is facing considerable labor displacement because of the shortage of metal for stoves. Other industries mentioned by Kaul as cooperating with the Government to avert serious unemployment included washing machines, jewelry, electric household appliances, slide fasteners, electroplating, and radiators and boilers.

Ten specific steps outlined

The ten suggestions made by Kaul follow:

1. As soon as possible, the industry committee, representing both large and small companies, should present to the Labor Division and Division of Contract Distribution, its information on the priority displacement of workers and facilities.

2. Similarly, representatives of labor organizations should present their information and should, if desired, meet with the industry management committee in the presentation of facts.

3. The industry committee should designate two or three of the best engineers in the industry who are familiar with its facilities and defense contract history, and who will be prepared to work with engineers of the Division of Contract Distribution, Army, Navy and prime contractors.

4. On the basis of technical consultations, the engineers can report back to the OPM, and to the individual companies, those defense items on which conversion would be most feasible. Also, certain geographical or interindustry pooling arrangements might be appropriate on specific items. The field offices of OPM can then be advised of the conversion possibilities.

5. In the meantime, the individual companies should make certain that their facilities are on record in the local offices of Division of Contract Distribution and should intensify their efforts to get prime and sub-contracts at the local level.

6. If specific defense contracts or letters of intent are obtained but you are losing your working force from material shortages, the company should so advise the priorities branch of the Labor Division and the industry committee, setting forth the essential facts.

7. The company should advise the local employment office of actual and threatened displacement in the plant and should file Form ES223 for consideration. However, in advance of this, the company should consult with the field representatives of the Priorities Division in order to be sure that it has followed the prescribed procedure in obtaining materials under existing Priority Orders.

8. If you have reason to believe that a substantial proportion of the industrial workers in your community, approximately 20 percent or more, will be displaced, your company should request the local or State employment office to initiate a comprehensive community employment survey which will be sent to the Labor Division via the Federal Bureau of Employment Security. The information on the acute community situations will be considered for certification by the OPM.

9. On the questions of labor supply and training for defense work, the company should maintain close contact with the OPM regional labor supply committee which operates under the labor supply branch of the Labor Division.

10. Lastly, on any problems concerning management-labor relations on defense contracts, the company should communicate with the labor relations branch of the Labor Division, where experts in this phase of the work will give your problem immediate attention.

Plane maker praised for fair hiring system

Mark Ethridge, chairman of the President's Committee on Fair Employment Practice, on December 4 commended Lockheed Aircraft Corporation, Burbank, Calif., for its "sympathetic and intelligent program of eliminating discrimination" based on race, creed, color, or national origin.

In a letter to President Robert E. Gross of Lockheed, Mr. Ethridge noted that this company has carried out suggestions made by the committee in its recent Los Angeles hearings to establish a system of reviewing cases of all rejected job applicants who had complained to the committee that they were victims of discrimination because of race or national origin.

"The information given concerning these cases satisfies the committee that you have taken appropriate steps to eliminate any ground for complaint that discrimination based on race or national origin was involved," Mr. Ethridge's letter said.

The letter expressed agreement with the observation made by Lockheed officials that the most effective way to eliminate such discriminations "is to insist that employers themselves establish fair and reasonable standards of selection based on aptitudes and abilities."

The Lockheed Company has reported to the committee that it is hiring Negroes with considerable success and that other workers are showing a cooperative attitude toward them. In the past 3 months the Lockheed Company has trained and employed 125 Negroes.

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Conference considers "Labor in National Defense"

Several hundred leaders and members of Massachusetts trade unions gathered at Harvard University December 6 and 7, for a 2-day conference on "Labor in National Defense."

The conference, which was held in the Harvard Business School, was arranged by the State organizations of the AFL and CIO, the OPM Labor Division, the War Department, the Office of Civilian Defense, and the Consumers' Division of the Office of Price Administration.

Only 1 significant defense strike in week, 16 disputes settled, labor division reports

The December 6 report of only one current primary strike in defense industries (involving 90 persons) shows improvement over the record low of three significant defense stoppages (involving 1,700 persons) reported November 29, states the Labor Division of OPM. Twelve other stoppages (4,700 employees) are current in firms having Army, Navy, or Maritime Commission contracts, but these are considered of minor importance.

Efforts to adjust dispute

The one important stoppage began December 2 at the Rausch Nut & Manufacturing Co., Cleveland, Ohio, when 90 members of the UAW-CIO ceased work over union recognition and alleged discriminatory discharges. A Federal conciliator and an OPM industry consultant have been meeting with the parties and NLRB representatives in an effort to adjust the dispute. The firm is an important supplier of nuts and bolts for aircraft motors.

16 disputes settled in week

Settlements of 16 labor disputes (1,008,000 persons) were reached with

the assistance of the various Government agencies during the week, according to the Labor Division. The outstanding case among the 11 threatened strikes (1,004,500 workers) which were averted is the dispute involving a million employees of the class A Railroads. Five stoppages (3,500 employees) were also adjusted.

These 16 cases are:

Adjusted without stoppage: Allied Products, Hillsdale, Mich.; American Smelting & Refining Co. (Federated Metals Division), Los Angeles, Calif.; Broderick & Bascom Rope Co., St. Louis, Mo.; class A Railroads; General Chemical Co., Pulaski, Va.; McQuay-Norris Manufacturing Co., St. Louis, Mo.; Ohio Steel Foundries, Springfield and Lima, Ohio; Package Machinery Co., Springfield, Mass.; Standard Tool Co., Cleveland, Ohio; Tampa Shipbuilding Co., Tampa, Fla.; Tug Boat Owners & Operators, Philadelphia, Pa.; Baltimore, Md., and Norfolk, Va.

Resumption of work: Atlas Drop Forge Co., Lansing, Mich.; Bethlehem Steel Co., Bethlehem, Pa.; Breckenridge Machine Co., Cleveland, Ohio; Pusey & Jones, Wilmington, Del.; and Republic Aircraft Co., Detroit, Mich.

Part of D. C. area removed from housing critical list

An amendment to the Defense Housing critical areas list removing from the District of Columbia area, as defined, the 25 acres known as the Nevius Tract, bounded by U. S. Reservation, North Arlington Ridge Road, Lee Boulevard and North Meade Street, in Arlington County, Va., was announced December 6.

In addition to the practical considerations, such as increased traffic congestion on Lee Boulevard and the Memorial and Key Bridges, which prompted the decision, weight was given to historical and aesthetic objections to use of this land for building purposes.

At the same time, a defense housing serial number assigning priority assistance issued for the construction of an 11-story apartment building on the property was specifically revoked. (District regulations prohibit buildings of more than 9 stories.)

2,785 new defense homes completed during week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced December 3 that 2,785 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 29, making a total of 56,581 completed or occupied.

With 275 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 105,802.

Federal funds have already been allotted for 126,259 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,831. Since January 1941, 200,540 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 6,585.

Labor relations should be founded on agreement, not compulsion, says Davis

It is wise to found labor relations on agreement rather than compulsion, William H. Davis, chairman of the National Defense Mediation Board, said on December 4.

"We have heard a lot of talk about a cooling-off period imposed by statute," he told the annual convention of the National Association of Manufacturers in New York City. "The trouble with such statutes is, I think, that the porridge does not cool off unless you take it off the stove, and the only way I know of to take it off the stove is by agreement."

Excerpts follow:

Preventing labor disputes, like charity, begins at home.

The cornerstone of any structure of industrial peace is mutual trust and confidence between management and labor in the shop itself. This is easy enough to suggest. It is not so easy to achieve.

Many items and much time go into such a structure. Today I want to speak of two items that seem important at the moment. First, the right to work and the right to strike, and second, the fact that production comes from agreement, not by compulsion.

For every right a corresponding duty

We must learn to live together as free men or we will be forced to live together as slaves. Remarks of this sort are made so often and so loosely that I think we ought to stop a moment and look at this one. The most important meaning at the moment is, I think, for all of us to realize that for every right in a free society there is a corresponding duty. We speak of the right of men to work, and they speak of their right not to work. We must admit that both of these belong among the rights of free citizens. But now we are in a jam and have to think more about our duties.

No drafting in private industry

For service in the Army and Navy young men are drafted in such times, and that service for any one of them may extend to surrender of life itself. The fighting forces are a thing apart. Their country is their employer, and wages, hours and working conditions are fixed by Congress and by the enemy.

For service in private industry free men cannot be drafted. In private industry, workers and management must be allowed to fix wages, hours, and work-

ing conditions by agreement. This explains why the National Association of Manufacturers, as well as the great labor organizations, have passed resolutions against compulsory arbitration.

As Sidney Hillman has well said, we can no longer have either "business as usual" or "strikes as usual." But we must not lose our battle for freedom in solving that problem. It seems to me that the inevitable conclusion is that the parties involved in private industry must agree among themselves on some plan that will maintain uninterrupted production without sacrificing fundamental rights. This means, I think, that they must agree upon some final tribunal, available in any case in which all the processes of collective bargaining, of conciliation, and mediation have failed to make a final decision binding upon both sides. In my opinion, that tribunal should contain representatives of both sides.

This is not the first time that America has been confronted with that problem. It is precisely the problem we had to face in 1918. At that time it was solved by the creation of the bipartisan War Labor Board, with an agreement that if the Board divided equally the case would be referred to an arbitrator chosen by the Board. If they could not agree on an arbitrator, the President appointed the arbitrator from a panel previously approved by him and by the Board.

Production comes from agreement

About that successful policy which carried us through the war in 1918, the essential point is that it was the product of an agreement between management and labor. Some people seem to have forgotten this. The 1918 policy was worked out by the War Labor Conference Board, composed of 5 representatives of management designated by the National Industrial Conference Board and 5 representatives of labor designated by the American Federation of Labor. Each group picked a sixth member to represent the public and these two acted as joint chairmen. As you know, William Howard Taft was chosen by the employers and Frank P. Walsh by labor.

The wisdom of voluntary agreement

I hope I may be pardoned if I point out that the history of the National Defense Mediation Board gives further confirmation of the wisdom of founding labor relations on voluntary agreement rather

than on compulsion. We have heard a lot of talk about a cooling-off period imposed by statute. The trouble with such statutes is, I think, that the porridge does not cool off unless you take it off the stove, and the only way I know of to take it off the stove is by agreement. When I say the wisdom of voluntary procedure is illustrated by the history of the Mediation Board I have in mind what we have been able to accomplish in the way of voluntarily continuing production while disputes are still unsettled.

Outsider can act as buffer

Conciliation or mediation of labor disputes, like their prevention, also begins at home. No matter how strong the good will, disputes arise in the mine, mill or factory which cannot be settled without a third party. That third party should be brought in before management and labor take hard and fast positions from which they cannot easily retreat. But, if that has already happened, an outsider can still act as a buffer, or face-saver upon whom the disputants can blame their retreat to a compromise.

The Conciliation Service of the Department of Labor is doing a valiant job in the national defense industries during this emergency.

The Office of Production Management has available a corps of labor and management experts who are willing and ready at all times to assist either side to settle controversies affecting defense.

In case any defense dispute gets too hot for any other agency to settle, the Secretary of Labor will certify it to the National Defense Mediation Board and we will try to cool it off while production goes on.

Today, the Mediation Board has 31 disputes pending before it, involving a total of 356,116 men. All these men are on the job. There is continued production pending settlement in every one of these disputes. Eight months ago I would not have believed it possible. But here it is.

Putting the lid on labor organization

Now, let's take a look down the road which lies ahead. No mediation board can last very long unless it is keyed in with the long-run needs of labor, management, and the country. Here again we may learn from the experience of 1918.

A second point of the 1918 agreement between management and labor which has recently been much discussed was a freezing of the status of the closed shop and the open shop. The quid pro quo for that was agreement on the part of

the management to recognize labor's right to organize. The language of that provision was:

"The right of the workers to organize in trade unions and to bargain collectively, through chosen representatives, is recognized and affirmed. This right shall not be denied, abridged or interfered with by employers in any manner whatsoever."

In effect, management then agreed to the basic principle now incorporated in the Wagner Act in exchange for the freezing of the status of the closed and open shops. That swap cannot be made again, and would hardly be appropriate to the present times.

When we come to talking about putting the lid on labor organization a very different question is involved. In the 1918 agreement the freezing of the closed and open shop status was accompanied by this qualifying sentence:

"This declaration, however, is not intended in any manner to deny the right, or discourage the practice of the formation of labor unions, or the joining of the same by the workers in said establishment."

To try to put the lid on labor organization in this country at this time would, in my opinion, be disastrous. I believe that labor organization must go on, not in spite of the emergency, but because of the emergency. I say this because independent, self-disciplined labor organization is a tool, a tool of industrial peace, a tool of production.

Maturity through "pressure of events"

But it is not only labor organization which must put aside childish things. Industry, too, must go forward—first through a well-trained and carefully instructed supervisory force from foreman to top management. Then next, after maturity has been established in individual shops, that same maturity must be spread throughout industry.

How will this come about? It will probably be developed, as most things are, through the pressure of events. The individual employer will be confronted by an industry-wide organization of labor and may come to realize that he has the short end of the stick. Counter-organization of employers on an industry-wide basis will probably result.

If so there are many examples of industries in this country that have had experience with such industry-wide bargaining. By and large they have found that it tends to develop strong, independent, democratic, and self-disciplined unions on the one side, and intelligent personnel policies on the other. It has proved to be an instrument capable of handling the basic problems of the industry without surrender by either side of fundamental rights.

Knudsen forecasts increasing needs, says we can't have strikes in defense

"With our house on fire, we can't have a strike in the Fire Department and refer the dispute to conciliation," OPM Director General Knudsen said in a speech to the National Association of Manufacturers in New York December 3. "If strikes can't be stopped during a period of emergency in any other way than law, it should stop them."

Excerpts from his summary of the production progress follows:

Production, as I am supposed to talk about, consists of three things: material, labor and facilities. And to start from the beginning, one of our problems today has been the procurement of material. We know that the estimates for direct defense requirements will be greater in 1942 and 1943 than they were in 1941, and by direct defense requirements I mean, of course, the things that are bought by the Army and the Navy and the Maritime Commission.

More for Lend-Lease

I think we must also suspect increased lease-lend requirements. Indirect defense requirements and civilian requirements such as steel for machine tools and industrial machinery, the material needed for new plants, requirements for making repair of our present plants, and the minimum amount needed to keep the civilian economy going, will, I think, increase in the next year. Steel is the outstanding example of this material. The demand for steel will be greater in 1942 due to the step-up in the defense program.

Steps are being taken to increase the production of steel in places where steel is largely required for military uses. These increases will be available sometime within 1942, but in most cases these increases will be absorbed by the direct defense program. Large quantities of steel will also be used in the construction facilities, but I don't think there is going to be any great problem there. Part of the present demand is probably going in excess inventory, but I don't think that these inventories will act as much of a shock absorber under constantly increasing demand.

We are not satisfying civilian demand now. An important point is copper, but for the last few months, the defense requirements alone as represented by the highest demand are already running in excess of the supply. We are taking steps currently to increase the copper production, and we have also, through Mr.

Nelson's department, taken steps to eliminate copper in civilian uses wherever it is possible. We are importing all available copper from South America. Of course, you must remember that we have that to draw on only as our sea lanes are open and sufficient ships are available.

Expects shortages to continue

In spite of our large shipbuilding program, ships are still a scarce commodity. Similar situations have developed in aluminum, magnesium, and nickel, and are rapidly developing in other metals, such as tungsten and molybdenum. Supply lines are constantly watched, as well as the stock piles, so that we can check them in case our supply lines are cut.

In view of our increase in national income, the civilian demands will be larger in 1942 than in 1941. But as I said a while ago, I cannot believe that even if our defense estimates are too high, and projected increases in production will be realized and if there is no interference in imports, the shortage of critical material will be over before the emergency is over. There may be some relief in some materials, but we will not have enough for the demand.

The labor situation

On labor, we have had a difficult period, also, with production generally on the up-grade. We know of the strike troubles that culminated in the coal strikes last month. In most cases wages and working conditions were not the issue, but the usual demands are for closed shops, union shops, preferential shops, whatever you call them. I can't for the life of me understand how in a period of national emergency such foolishness as this can go on.

We are in a very good position regarding wages and working conditions. We have all kinds of work to do, and then we have to stop and argue about the jurisdictional disputes and organizational disputes, and God knows what.

I don't want to be severe with labor; I have dealt with them all my life; I have been one of them. I have up to now supported the contention that laws were not needed to get top production in the United States, and I am quite frank to confess that with our house on fire, we can't have a strike in the fire department and refer the dispute to conciliation. If strikes can't be stopped during a period of emergency in any other way than by law, it should stop them. ▲

friend said to me, "What if the law doesn't stop the strike?" My answer is, "At least put the strike in its proper position both from the standpoint of emergency and the public."

The over-all picture today is about as follows on facilities: we have committed about \$4,578,000,000 worth. This includes all of the facilities ordered by the Army, Navy and Maritime Commission. We have delivered to the defense program \$850,000,000 worth of machine tools in 1941, and expect to deliver \$1,200,000,000 worth in 1942. The final picture isn't quite ready yet, but in 1942 I think the major part will be behind us.

The ratio of \$4,600,000,000 to \$43,000,000,000 isn't too bad if we get the proper production out of it. The expanse in the contract distribution service will be a welcome adjunct to the production program. The shortage created by priorities has given a good impetus to the contract distribution service program.

43 billions in contracts placed

Summing up the production picture from the foregoing, it can be stated perhaps as follows: production is on the way of every item in the defense program. You know I cannot quote these quantities to you, but I will try to give you an idea this way: contracts are placed of a total value of \$43,000,000. Deliveries as measured by disbursements will amount to \$12,700,000,000 to January 1. The calendar year 1942 should show \$26,000,000,000 of products shipped. In 1943, we hope to produce \$36,000,000,000 of products.

Subcontracts for the month of October, according to the Contract Distribution Division, amounted to \$188,000,000. This, of course is only a small fraction. The majority of subcontracts are placed by the contractor himself.

As for the position of the defense program on planes, tanks, guns and ammunition and ships, the standing as of January 1 will be, on planes 60 percent of peak; on tanks 30 percent of peak; guns and ammunition, 50 percent, and ships, 40 percent.

Work has gone along somewhat better in the last few months. A new plant for building bombers will be opened in Kansas City early in January and three more plants will be finished late in 1942. With these four plants and our present capacity, we ought to have around a capacity of 800 heavy bombers a month. On tanks, we have made some progress in work now. They will reach 2,800 a month by the end of 1942. Guns of smaller size are progressing, and ample facilities have been provided.

Ammunition at first was stymied by the lack of explosive. Satisfactory progress has been made both in powder and TNT. We are assured of a satisfactory supply by January 1.

In shipbuilding great advance has been made through the progress of welding, which, incidentally, will be used in tanks, also, during this coming year. A monthly output of 400,000 to 500,000 tons cargo capacity of ships wouldn't seem unreasonable for 1942.

Calls for realism

Now, you might ask, what do you think of the whole program? Here is what I think: We have gotten started, I might even say a good start. We are not in the right swing yet. We are worrying about civilian economy, which has certainly been hurt. We can't, as some people say, be prosperous and arm for defense at the same time. We have got to have more help from industry, from you gentlemen, both in the program at large and in the OPM. We must get realistic and convince ourselves that this industrial machine of ours must hit on all cylinders for a while without too much worry about the amount of fuel consumed.

Whatever we call the fix we are in right now we have got to take one more drive at it to get together and get the thing going right. We may hear many citations read all over our country before we get through, but let's by the everlasting God see to it that the boys, if they have to go, go with a gun in their hand and not with a broom handle.

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Maritime Commission reaches "ship a day" goal

Ships being constructed under the Maritime Commission's augmented shipbuilding program are scheduled to slide down the ways this month at the rate of one a day, the Commission reported December 1. "A ship a day" was the goal set last February when the emergency shipbuilding program was inaugurated, and with that goal now being reached, the Commission is planning a further speed-up in launchings.

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Steel warehouse operators

Steel warehouse operators in New York City and vicinity will be given an opportunity to ask questions about their priorities problems at a priorities clinic in the Hotel Astor at 2 p. m., December 19.

SPAB orders public hearings on possibilities of increasing production of copper

The Supply Priorities and Allocations Board announced December 4 that it had directed the Office of Production Management to hold public hearings on all possibilities of increasing copper production.

The date for the hearings, which will be held as soon as is practicable, will be announced shortly. Present plans are to have the hearings conducted by an impartial chairman, selected by OPM from outside its own ranks.

Believes all questions settled that can be settled

In calling for the hearings, SPAB was moved by these considerations:

Recognizing that copper is an essential metal for the maintenance of the civilian economy, and that any shortage in copper after defense means are filled is immediately reflected in a rise in unemployment, SPAB has from its inception studied the copper production program and has on several occasions reviewed this program as presented to it by OPM. It has consistently felt that all of the pertinent questions were brought before it, and that those which could be settled have been settled.

But conflicting stories are current

Nevertheless, SPAB recognizes that there are current today many conflicting stories and reports on copper production. It also recognizes the urgent necessity of exploring every possible avenue of approach to the situation. Consequently, it has requested OPM to hold a full public hearing.

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COMBATANT SHIPBUILDING

From January 1 to November 30, 1941, the U. S. Navy commissioned 27 combatant ships; 41 were launched, and keels were laid for 128, the Navy Department announced last week.

Details follow:

Battleships: Commissioned, 2; launched, 3; keels laid, 2.

Aircraft carriers: Commissioned, 1; keels laid, 3.

Cruisers: launched, 6; keels laid, 18.

Destroyers: Commissioned 14; launched, 19; keels laid, 80.

Submarines: Commissioned, 10; launched, 13; keels laid, 25.

CONSERVATION . . .

Nation-wide, year-around scrap collection is launched this week in Maryland

Maryland has been selected by the Bureau of Industrial Conservation of OPM for the launching of its program to increase the salvaging of waste paper, rags, scrap metal, and rubber, Lessing J. Rosenwald, chief of the bureau, announced December 2.

The Maryland waste collection program will be based on plans laid out by the Bureau of Industrial Conservation, Mr. Rosenwald said, but will be executed by a State salvage committee, a new division of the State Defense Council. The bureau will offer full cooperation and support, and will provide informational and promotional material for widespread distribution to homes, shops, farms, and factories in every section of the State.

Nearly all scrap metals seriously needed

"Practically all scrap metals, in whatever form they may be, are seriously needed by our defense industries today," Mr. Rosenwald declared. "Iron, steel, copper, zinc, lead, aluminum, and chromium are in tremendous and constantly increasing demand by the plants producing our planes, tanks, guns and other defense weapons. When it is realized that even in peace times steel mills rely upon the return of scrap metals for about one-third of their raw materials, it is obvious that the present vast expansion in production demands the wholehearted cooperation of the entire Nation in guaranteeing that none of the materials so vitally needed are wasted or destroyed."

Shortly after the Maryland program has been inaugurated, the bureau plans to start similar efforts in other States on the East Coast and, finally, in every section of the country. The salvage program will not be in the nature of a short-term campaign or drive, it has been emphasized, but will be aimed at a continuing "war against waste" for the duration of the emergency.

Local committees to be set up

W. Frank Roberts, chairman of the Maryland Defense Council, issued invitations to a meeting at the Southern Hotel December 9, at 8 p. m., when Mr. Rosenwald and Herbert L. Gutterman, chief of the general salvage branch of the bureau, will outline the plans which

have been drafted for the salvage appeal. More than 100 persons are expected, including representatives of the waste materials industry and of charitable agencies which partially support themselves by collecting salvage, as well as a number of civic leaders.

At the meeting, Mr. Roberts will announce the appointment of the State salvage committee, which will be headed by a chairman and an executive secretary. The latter will serve as a liaison officer between Washington and the State salvage body, it was said. A separate salvage committee for Baltimore City will also be set up, and as rapidly as possible thereafter, additional local committees will be formed throughout the State, in every case stemming from community defense councils.

Destruction of paper decried

All Marylanders will be urged to save scrap metals of all kinds, wastepaper, rags, inner tubes and old tires, Mr. Rosenwald said, and to sell them through local dealers. Persons who have been in the habit of giving their waste to philanthropic agencies which normally collect such materials will be instructed to continue the practice.

It has previously been emphasized that there is a great demand for paper for packaging and shipping munitions and other war supplies. If the millions of tons of paper which are now thoughtlessly destroyed can be saved for processing and repeated use, studies have indicated, the gap between supply and demand may be met.

Rags have defense uses

Rags, also, are being consumed at an unprecedented rate for wiping purposes in defense plants, in the manufacture of building materials for construction, and in some instances in the production of paper.

In every State where the bureau's salvage program is inaugurated, Mr. Rosenwald explained, the machinery of the local defense councils will be utilized to direct the effort. It is also expected that the activities of any other groups, public or private, which have already been promoting collections of waste materials, will be coordinated through the proposed State salvage committees.

Economy asked in use of paper during Christmas season

With a Christmas shopping season of unprecedented proportions anticipated throughout the Nation, Lessing J. Rosenwald, chief of the Bureau of Industrial Conservation of OPM, on December 1 urged retailers and the general public to make a special effort to economize in the use of gift boxes, tissue, wrapping paper, and similar paper materials.

Double wrappings and rewrapping of packages at home in additional boxes or paper materials were cited by Mr. Rosenwald as commonplace examples of wasteful use. In addition, it was pointed out, most shoppers request special wrappings for all purchases during the pre-Christmas season, even though many may not be meant for gifts.

Retailers can be especially helpful in the conservation effort, Mr. Rosenwald stressed, by educating and enlisting the cooperation of both employees and the buying public in this effort to restrict the use of paper materials, particularly during the Christmas season.

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CANNING SUBCOMMITTEE

The Bureau of Industry Advisory Committees of the OPM December 3 announced the formation of the requirements subcommittee of the fruit, fish and vegetable canning industry advisory committee.

Members of the requirements subcommittee are: Oliver G. Willets, Campbell Soup Co., Camden, N. J.; G. C. Scott, Minnesota Valley Canning Co., Le Sueur, Minn.; Howard Cumming, Curtice Brothers Co., Rochester, N. Y.

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R. B. Jenkins added to plumbing, heating committee

The Bureau of Industry Advisory Committees of the OPM announced December 3 that R. B. Jenkins, of Briggs Manufacturing Co., Detroit, Mich., has been added to the plumbing and heating industry advisory committee.

TRANSPORTATION . . .

More uniform standards in car building, fewer types, would aid defense—Budd

Discussing "How the Military Engineer May Contribute to the National Defense" before the American Society of Military Engineers meeting in New York on December 4, Ralph Budd, Transportation Commissioner, said in part:

Two different spheres of activity have been suggested within which you can assist in the defense effort. The first is through more rigid standardization of equipment, and the second is through the use of substitute materials.

The two ideas are seemingly contradictory, and in some respects, they are. Standardization is a normal and continuing process, while substitution to a large degree is of an emergency character. Standardization makes for uniformity of shapes and sizes, substitution does the opposite. Standardization increases economy and efficiency, while with some exceptions substitution results in higher cost and less efficient operation. The common and compelling factor is the present national emergency and the consequent necessity to use as little scarce material as possible and in the way which will enable mills, factories, car builders, and locomotive builders to work to best advantage.

Standard specifications desirable

Greater uniformity of standards has always been sought by railway mechanical engineers and civil engineers.

The word "standard" may be used to imply any one of several things. Those of us who experienced the standard dining car meals during the period of Federal control of railways, remember them without any particular enthusiasm. Yet no one questions the desirability, not to say necessity, of having standard specifications to govern the manufacture of structural materials, or the practices to follow in designing. Likewise, everyone will agree that certain features of a railroad's physical plant must be uniform.

Reduce types of freight cars

What I should like especially to consider here, however, is the matter of reducing to a small number, the different types of freight cars. The railroads through the Mechanical Division of the Association of American Railroads, have fixed on a few sizes of cars, as follows:

Box cars.—Inside length of 40'6", inside width 9'1", inside height at eaves either

10' or 10'6"; inside length 50'6", inside width 9½'2", inside height at eaves 10'6". Various arrangements of doors are shown.

Hopper cars.—Two designs, one for 50 tons and one for 70 tons capacity.

Gondola cars.—Two designs of fixed and gondola cars, one having a tight bottom and one having 16 drop doors in the floor. Cars are 41'6" inside length and 9'6" inside width. The drop bottom cars have inside height of 5'0" and tight bottom cars have

PRICES AND PRIORITIES

MATERIAL REQUIREMENTS of railroads and suppliers for 1942 to be discussed December 12—page 11.

USED RAILS for relaying put under ceiling—page 10.

PREFERENCES EXTENDED on materials for rail equipment—page 6.

TRUCK TRAILER production limits relaxed—page 6.

TIRE RETREADING material prices under investigation—page 10.

inside height of 4'8". Capacity of these cars is 50 tons.

Drop end gondolas.—One having 52'6" inside length, 9'6" inside width, 3'6" inside height and a capacity of 50 tons; one designed with inside length 65'6", inside width 7'9", inside height 3'6", and a capacity of 70 tons.

Flat cars.—Three designs, two with length over floor of 53'6" and width over floor 10'6", 50 tons capacity and 70 tons capacity. One design with solid cast steel underframe, length over strikers 50', width over floor 9'3", and a capacity of 70 tons.

This marks a new point of advance in a continuing effort over many years and, in my opinion, represents a distinctly constructive step.

Policy in handling orders

The way in which orders for freight cars are distributed among the car builders is not strictly a mechanical engineering function, but it has a bearing on the ability of the shops to turn out cars.

A policy which seems to me sound and wise for new freight car building may be outlined as follows:

No new sizes or types or designs to serve defense needs.

No orders will be placed with car builders for cars of a type which have not already been built at that factory.

The placing of orders for small lots of cars will be avoided by arranging to add the requirements of small roads or relatively small lots purchased by any railroad, to other orders of substantial quantity, which have been placed by another road for similar equipment.

An order of 1,000 cars or less should not be placed with more than one builder, but the

allocation of total requirements should be accomplished by distributing the orders equitably in large lots.

So far as practicable, standard sizes and shapes will be obtained, but when necessary odd sizes of plates and shapes will be used.

(As to locomotives, Mr. Budd listed 65 parts and specifications for construction which are now standardized, and commented as follows:)

Steam locomotive problems

The fact that steam locomotives are built for the use of the owning roads and are never produced in the large quantities which characterize orders for new cars has made mass production methods inapplicable. Possibly locomotive individuality has been carried too far and might be modified to advantage. The ideal locomotive assignment on a large railroad is to have the capacity of the locomotives so adapted to the grade line that the heavier power on the steeper grade districts will permit the handling of a train of uniform tonnage the entire length of the line. In other words, the locomotives serve to flatten out the humps and hollows of the grade line.

Avoid new types now

Improvements in motive power should be fostered and encouraged in every way, and that can be done best by not stifling individual initiative, but it does seem that the emergency conditions now prevailing justify avoiding, at this time, new types of locomotives, and confining the building of new ones to the duplication of suitable existing types.

As in the case of cars, an effort should be made to add the orders for small numbers of locomotives to the larger orders to permit building them in larger lots. Car builders and locomotive builders have generously expressed a willingness to cooperate by the interchange of drawings, and by making available to each other dies, patterns, and other plant equipment.

Best features in few types

At the risk of seeming criticism, which is not intended, I suggest that it should be possible as soon as the national emergency is over to bring out designs of steam locomotives which would eliminate all but a few types; which would afford a sufficient variety to provide the necessary tractive power and speed for almost any circumstance, and to embody in these locomotives the best features which have been proved in service on the various railroads.

Contracts cleared and awarded

Defense contracts totaling \$111,928,624 were awarded by the War Department and Maritime Commission and cleared by the Division of Purchases, Office of Production Management during the period November 27 to December 3, inclusive. Of this total, Army contracts amounted to \$102,163,644 as compared with \$186,796,951 for the previous week. Maritime Commission contracts totaled \$9,764,980 as compared with \$11,020,000 for the previous week.

Construction contracts during the period amounted to \$1,849,978; ship construction to \$9,764,980; ordnance to \$49,280,661 and equipment and supplies to \$51,033,605.

CONSTRUCTION

N. A. Woodworth Co., Ferndale, Mich.; acquisition of additional facilities at plant for manufacture of aircraft engine parts; \$592,045. (Defense Plant Corporation agreement of lease.)

Hughes-Foulkrod Co., Philadelphia, Pa.; construction of optical shop, Frankford Arsenal, Pa.; \$742,000.

James I. Barnes Construction Co., Santa Monica, Calif.; construction of plane anchorage, runway, taxiways, etc., Long Beach Ferrying Command, Calif.; \$515,933.

SHIP CONSTRUCTION

MARITIME COMMISSION

The Globe Shipbuilding Co., Superior, Wis.; five seagoing tugboats; \$5,434,000.

Avondale Marine Ways, Inc., New Orleans, La.; four seagoing tugboats; \$4,330,920.

ORDNANCE

Western Cartridge Co., Winchester Repeating Arms Co. Division, New Haven, Conn.; rifles; \$5,791,200.

McCord Radiator & Manufacturing Co., Detroit, Mich.; helmets; \$2,307,369.

Nineteen Hundred Corporation, St. Joseph, Mich.; machine gun mounts; \$1,322,120.

Easy Washing Machine Corporation, Syracuse, N. Y.; machine gun mounts; \$1,322,120.

General Motors Corporation, Olds Motor Works Division, Lansing, Mich.; guns; \$2,350,000.

Guiberson Diesel Engine Co., Chicago, Ill.; engines; \$2,455,302.

Gibson Electric Refrigerator Co., Greenville, Mich.; ammunition chests; \$604,782.

Minneapolis Moline Power Implement Co., Minneapolis, Minn.; shells; \$805,200.

Apex Electrical Mfg. Co., Cleveland, Ohio; machine gun mounts; \$3,000,640.

High Standard Mfg. Co., New Haven, Conn.; guns; \$10,254,558.

Nash Kelvinator Corporation, Detroit, Mich.; binoculars; \$599,535.

R. Hoe & Co., Inc., New York, N. Y.; gun recoil mechanisms; \$1,900,875.

Otis Elevator Co., New York, N. Y.; gun mechanisms; \$1,930,400.

Ward La France Truck Corporation, Elmira, N. Y.; trucks; \$827,049.

Columbus Auto Parts Co., Columbus, Ohio; forgings; \$1,317,500.

National Pneumatic Co., Rahway, N. J.; ammunition; \$4,977,265.

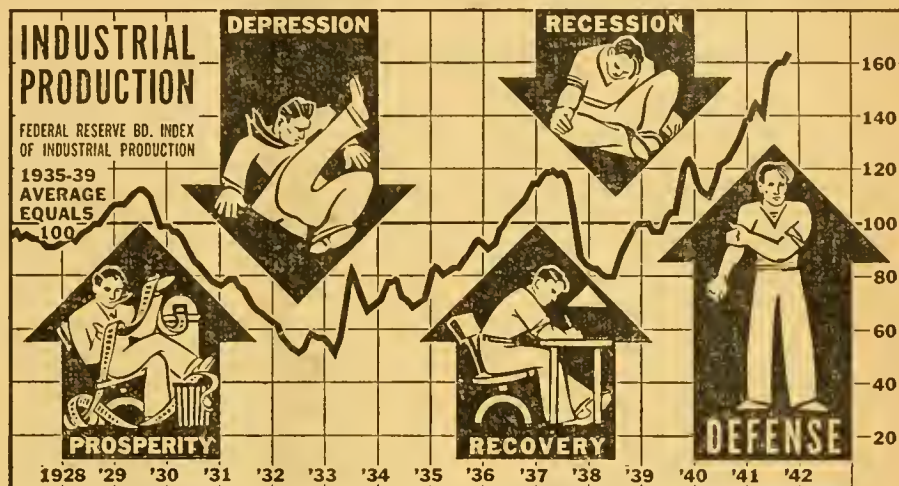
Duff-Norton Mfg. Co., Pittsburgh, Pa.; forgings; \$1,317,500.

Antonelli Fireworks Co., Rochester, N. Y.; incendiary bombs; \$1,005,000.

EQUIPMENT AND SUPPLIES

Biederman Motors Corporation, Cincinnati, Ohio; truck-tractors; \$1,996,860.

Total production still rises despite shortages and capacity work in many lines



America's mighty effort to arm, and to supply the democracies overseas with weapons, has pushed production, the real income of the people, the money they have to jingle in their pockets to the highest levels ever realized in this country.

After holding steadily at a peak through August and September, the Federal Reserve index of industrial production rose 3 points to the new high of 164 in October—up more than a third from the top level in 1937.

Purchasing power up 28 percent

The index of the purchasing power in goods and services of the average wage of industrial workers climbed by September to 127.9 (latest figure available), 27.9 percent higher than the average for 1935-39.

And money in circulation in September for the first time exceeded \$10,000,000,000—\$76.41 per person. Of this, \$713,-

000,000 was in coins clinking in and out of cash registers.

Even farm income—net income from agriculture received by persons on farms, as the economists meticulously phrase it—rose to levels not attained since the late twenties. But money today buys considerably more than it did in 1929.

Business still edges upward

How high production would go no one could say. The Department of Commerce remarked: "Business activity has edged upward despite the reaching of capacity limits in important industries, the increasing stringency of material supplies, and the strain of shifting to defense production."

Nevertheless, price indices revealed definite signs of inflationary effects, which threatened as they rose to nullify all of the benefits of higher wages and profits. Economic storm signals warned of dangerous winds blowing.

Yellow Truck & Coach Mfg. Co., Pontiac, Mich.; trucks; \$6,717,424.

Southern Worsted Corporation, Boston, Mass. (Mill: Paris, S. C.); 200,000 yds. olive drab serge cloth; \$608,000.

Collins & Aikman Corporation, New York, N. Y.; 550,000 yds. olive drab serge cloth; \$1,672,000.

Independent Engineering Co., O'Fallon, Ill.; hydrogen generators; \$585,000.

William Whitman Co., Inc., Boston, Mass. (Mill: Lawrence, Mass.); 385,000 yds. olive drab serge cloth; \$1,155,000.

Stillwater Worsted Mills, Harrisville, R. I.; 440,000 yds. olive drab serge cloth; \$1,254,000.

Uxbridge Worsted Co., Inc., Uxbridge, Mass.; 1,430,000 yds. olive drab serge cloth; \$4,325,750.

J. P. Stevens & Co., Inc., New York, N. Y.; 200,000 yds. olive drab serge cloth; \$608,000.

William Whitman Co., Inc., Boston, Mass.;

280,000 yds. olive drab flannel shirting; \$540,400.

The Heil Co., Milwaukee, Wis.; oil servicing trucks; \$2,620,584.

The Heil Co., Milwaukee, Wis.; trailers and trailer converter dollies; \$10,109,640.

Standard Steel Works, North Kansas City, Mo.; semi-tank trailers and trailer converter dollies; \$9,441,491.

Federal Motor Truck Co., Detroit, Mich.; truck-tractors; \$5,641,420.

Blackhawk Mfg. Co., Milwaukee, Wis.; jack assemblies; \$1,344,306.

Packard Motor Car Co., Detroit, Mich.; parts for engines; \$1,280,480.

Westinghouse Electric International Co., New York, N. Y. (for manufacture at Westinghouse Lamp Division, Bloomfield, N. J.); tubes; \$580,000.

Amperex Electronics Products, Brooklyn, N. Y.; tubes; \$553,250.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

AAA chief urges 6-point program for agriculture in post-war period

A six-point program for the Agricultural Adjustment Administration in the post-war period was recommended last week by R. M. Evans, national administrator, at the annual meeting of the Illinois Agricultural Association.

Mr. Evans' remarks follow: I believe we must: First, use our program now so that agriculture will enter the post-war period in the soundest possible condition. To do this, we must hold down production and control the marketing of our surplus commodities, such as wheat, cotton, and tobacco, today.

Second, keep our national farm program strong and flexible so that we can make the adjustments that will be inevitable after the war is over.

Must regain markets

Third, be ready to regain our fair share of the world's markets—but also remember that if we export, we must be willing to import.

Fourth, maintain a sound Ever-Normal Granary program based on commodity loans and protected by tight control of our production through acreage allotments and marketing quotas when necessary.

Fifth, make conservation farming a reality. Learn the value of grass as a crop.

Must feed all Americans properly

Sixth, produce in balanced abundance and help see to it that all people in America are properly fed. By so doing, we will expand our markets for the meat, dairy, and poultry products that are the necessary part of a balanced diet and the products of a balanced and diversified agriculture.

This is a war of production between two economic systems. Consequently, at the end of this war I believe our industry will have a productive capacity that far surpasses the old standards in which we once took so much pride. To win the peace at home, and incidentally to save our industries themselves, we must then find the means of mass consumption to raise the living standards of the people.

On the threshold of abundance

With peace we will stand on the threshold of abundance. We have

already taken one step forward with the Food for Freedom Program. As a matter of governmental policy we have thrown Government powers behind the production of plenty for a higher standard of living for the American people.

As a result, it is expected that total agricultural production in the United States next year will be the greatest we have ever known—and the wisest we have ever made. This will be production with judgment, for we will spend our energies upon the production of those vital food products so urgently needed and not waste our land and labor on the futile piling up of unneeded surpluses.

Results already obtained

That increase of production according to need is already under way. To meet the rising demands for concentrated foods at home and abroad, Secretary Wickard last April called for an immediate expansion in the production of pork, dairy, and poultry products and certain other foods. That program has already gotten results, as indicated by our record production this year of some of these vitally needed products.

This rapid expansion of food production would not have been possible without the Ever-Normal Granary of corn which you have built up under the Triple-A program.

Granary tapped for feed

The extent to which farmers drew upon the Ever-Normal Granary to expand their feeding operations is dramatically shown by the record of corn loan redemptions and sales of Government stocks during the past summer. From May 1 to September 30 this year—5 months—farmers withdrew more than 100 million bushels of corn from under loan and out of Government stocks.

Certainly now your Ever-Normal Granary has demonstrated its usefulness. Originally it was conceived as a national stockpile of abundance for use in peace time emergencies resulting from drouth and crop failure. In recent years it has also served as a reservoir into which we have been able to draw off our surplus production to protect the commercial grower. Today, this Ever-Normal

Granary has become a vital factor in time of war.

Let no one talk to me about farmers and their program of "scarcity." First let them try to outproduce us.

The farmer's contribution

Because we had the courage to find a way to live with abundance, we were prepared for the unexpected demands made upon us last spring. Since then farmers have made greater immediate contributions to our defense effort than any other group in America.

We must also enlist the city consumer in our efforts. Now that the prices of many farm products are up around parity, there are people who say that farm prices are too high. That is not the case when you look at the facts.

World War Number One started during a period of relative agricultural prosperity and fair farm prices. World War Number Two started during a period of depression and generally low farm prices. City people had grown accustomed to these low prices. They had forgotten what they paid for food during the 1920's. They forgot that food prices today are still 15 percent below those in the '20's.

Shouldn't run prices sky high

On the other hand, I believe that the surest way to lose the ground we've gained is to try to run farm prices sky high. I don't think farmers want to do that, either. I believe they just want a square deal—parity—today and tomorrow.

We must also tell the man in the city that farmers can keep on producing in plenty and at full speed only if industry is willing and able to keep people employed and able to buy.

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Material for new farm machines given A-8 rating till Feb. 14

Preference Rating Order P-33, which assigned a rating of B-1 to the acquisition of material for the production of new farm machinery, has been amended to provide a rating of A-8 for the same purpose, and extended to February 14, 1942. This date corresponds with the expiration date of its companion order, P-32, which extends priority assistance to the production of repair parts for farm machinery.

HEALTH AND WELFARE . . .

McNutt asks doctors to endorse nutrition objectives, pass them on to guide public

The nutritional level of the American people depends, to a large extent, on the advice they receive from their personal physicians, wrote Federal Security Administrator Paul V. McNutt in a letter addressed to the physicians of the United States.

Urging each individual physician to support the nutrition objectives of the Office of Defense Health and Welfare Services, Mr. McNutt called the doctors' attention to the recommendations of the committee on food and nutrition of the National Research Council and the council on foods and nutrition of the American Medical Association. These recommendations were contained in a letter to the physicians from the chairmen of these committees, who placed the issue directly before their colleagues thus:

We seek your active assistance to improve the quality of American diets. Many men, women and particularly children, either because of lack of funds or of adequate advice, are not getting the food they need to maintain them in good health. The scientific knowledge of nutrition now at hand has not been applied to best advantage for the benefit of the national health.

Committee provides scientific guidance

In compliance with a request of the Government, the National Research Council established a committee to provide scientific guidance for a campaign to improve human nutrition. The membership includes 10 physicians, 5 physiologists, 8 chemists, 6 nutritionists, and representatives, two each, of agriculture and food technology. This committee merits your confidence; six of its members also are members of the council on foods and nutrition of the American Medical Association.

RECOMMENDATIONS

Following are the actions taken by the committee on food and nutrition:

IMPROVEMENT OF FLOUR AND BREAD

The purpose of this recommendation is to insure *immediately* a supply of these vitamins of the vitamin B complex (thiamine and nicotinic acid) which are essential for the satisfactory oxidation of carbohydrate foods. The required levels for these vitamins, as well as for iron, will approximate those found in whole wheat flour and bread. Many millers and bakers have made such products available under the designations "enriched" flour and "enriched" bread.

USE OF IODIZED SALT

The widespread use of table salt iodized to a standard level is recommended. Iodized salt has been available for many years, but its use of late has unfortunately declined; the incidence of endemic goitre is on the increase. Conclusive evidence confirms that harm does not attend the use of iodized salt

by persons otherwise receiving an adequate supply of iodine.

ADDITION OF VITAMIN A TO OLEOMARGARINE

A recommendation has been adopted to promote the general fortification of oleomargarine with vitamin A. Such oleomargarine is now replacing unfortified oleomargarine.

SUMMARY

The committee believes that use of whole wheat bread and of butter should be encouraged by vigorous educational effort. Where these natural foods are not used, enriched flour and bread and properly fortified oleomargarine should be preferred over unenriched white flour and bread and oleomargarine not containing vitamin A. Use of iodized salt is also to be emphasized. These nutritionally improved products will greatly facilitate the planning of satisfactory diets.

Seek personal endorsement

The recommendations have the endorsement of the council on foods and nutrition and of the board of trustees of the American

Medical Association. Your personal endorsement of them will help more. Strong leadership in the campaign for improved nutrition must come from physicians; your active support of the nutritional activities of your community is essential.

Acceptance and application of the recommendations of the National Nutrition Conference and of the actions of the committee on food and nutrition by all the people is required. If our great Nation is to preserve its heritage, Americans must have a diet that more nearly meets the recommended dietary allowances advocated by the National Nutrition Conference. Nutritious food may well determine the effectiveness of the national defense. The people must understand; they look to you for guidance.

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Can makers asked to add grapefruit to "thin plate" list

Can manufacturers were asked December 2 by the Materials Division, OPM, to add grapefruit and grapefruit juice to the list of products being packed in thin tin plate cans. The thin plate reduces by 10 percent the amount of tin used.

South American skiers invited to U. S. in annual exchange visit; to tour country

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, announced December 1 that invitations had been mailed to the Ski Association of Chile, and corresponding organizations in Argentina and Bolivia to select 10 men for a 2-month visit to the United States in the winter of 1942. Present plans provide for their arrival in New York, January 26. The National Ski Association of the United States, which is cooperating with the Office of Inter-American Affairs in this project, is extending its invitations.

Will tour the country

The skiers will tour the United States observing and studying Red Cross First Aid training, the operation of the National Ski Patrol System, and the organization of the National Volunteer Winter Defense. Argentina and Chile will have four representatives each, and Bolivia two.

The project is designed to extend the friendly relationship between North and South American skiers begun by the visit of the United States Ski team to Chile in 1937, and marked since that year by an-

nual exchanges of sportsmen. A year ago, with the cooperation of the Office of the Coordinator of Inter-American Affairs, the National Ski Association invited to the United States a Chilean team of six. Their tour of ski centers covered 10,000 miles and took them into 23 States.

Foster mutual interests

It is further hoped that the project will aid the formation in the Argentine, Bolivian, and Chilean Andes of a first-aid and rescue service comparable to that maintained by the National Ski Patrol in the mountain areas of the United States. Further, it is expected that the contacts established by the visit will foster a widening of mutual interests existing among skiing enthusiasts of North and South America, and thus contribute to an increase in understanding between the Americas.

The tour will be under the direction of the National Ski Association, which will appoint a committee drawn from its regional associations, its affiliate, the National Ski Patrol System, and the directors of the Chilean Team Tour of a year ago.

CIVILIAN DEFENSE . . .

U. S. schools will observe Bill of Rights Day; President's talk to climax ceremonies

Pupils in public, private, and parochial schools in every State in the Union will participate in the Nation-wide observance of Bill of Rights Day, December 15, it was announced December 7 by the Office of Civilian Defense.

In the period between December 10 and January 15 schools will hold exhibits commemorating the 150th anniversary of the Bill of Rights in collaboration with libraries, civic, fraternal, and religious organizations under the auspices of their respective local defense councils. The State libraries of most of the 48 States and Territories will hold exhibitions of the best local exhibits during the last two weeks in January, and through the month of February a national exhibition of the best exhibits from each State will be held by the Library of Congress.

Part of national program

Participation of the schools in the national observance of Bill of Rights Day is part of the national program sponsored by the Office of Civilian Defense. It follows President Roosevelt's Proclamation of Bill of Rights Day in conformity with the joint resolution of the Senate and the House of Representatives.

Distribution has begun of 250,000 copies of a comprehensive syllabus prepared by the Library of Congress, describing the origin of the Bill of Rights and defining its guarantees.

President's address will climax day

The address by President Roosevelt over all radio broadcasting systems between 10 and 11 p. m. on December 15 will be the climax of the Nation-wide observance. The President's address will be translated and rebroadcast by short wave in all languages.

Earlier in the day, Vice President Henry A. Wallace will honor the author of the Bill of Rights by placing a wreath on the tomb of George Mason at Gunston Hall, his historic home in Fairfax County, Va., 20 miles below Washington on the banks of the Potomac. Governor James H. Price of Virginia will deliver the address on this occasion. That evening Supreme Court Justice Robert Jackson will speak at a mass meeting at Washington and Lee High School in Arlington, Va.

Many ceremonies scheduled

Throughout the Nation on Bill of Rights Day observance of the 150th anniversary will be marked by patriotic meetings, tableaux, and other ceremonies to commemorate the adoption of the original Ten Articles by which the historic guarantees of freedom of speech, assembly, religion, and the press were insured to Americans for all time. Previously, as part of the Nation-wide observance, ceremonies will have been held at Faneuil Hall in Boston and at Mt. Vernon in Westchester County, N. Y., at the tomb of John Peter Zenger, the editor whose trial established the freedom of the press.

Halifax transmits message

Viscount Halifax, the British Ambassador to the United States, on December 7, addressed the following communica-

tion to Archibald MacLeish, Librarian of Congress:

DEAR MR. MACLEISH: In connexion with the forthcoming celebrations of the 150th anniversary of the American Bill of Rights, I am very glad to be able to send you the following message from Sir William Holdsworth, Vinerian Professor in English Law at the University of Oxford, which has been telegraphed to me by the Foreign Office:

"The clauses of the American Bill of Rights are an eloquent testimony to the community between the Constitution and the political ideals of the British and American peoples, which is derived from a common legal tradition. All of them recall hard-won victories in Parliament and in the courts, and all guarantee liberties, by the winning and exercise of which our two nations have made themselves able to govern themselves democratically.

"On this 150th anniversary of their enactment it is peculiarly fitting that the British people should send a message of congratulation to the American people, because today all ideals embodied in this Bill of Rights are threatened by an ethically barbarous people, who are using all the resources of the civilization which those ideals have rendered possible, to destroy it. They are threatened not by untutored, but (what is much more dangerous) by the tutored savages. Together we can and will defeat this threat and, with the help of these ideals, give a real and lasting peace to the world."

Miss Marble urges women to keep fit, be ready for increased work demands

"I wonder what would happen if every girl and woman in this country were suddenly confronted with a 50 percent increase of effort in her job? A 50 percent increase in responsibility and demand in sheer stamina? Would they be able to withstand such a strain—could they 'take it in their stride' physically?"

These are questions propounded by Miss Alice Marble, tennis champion and assistant to John B. Kelly, director of the Physical Fitness program of the Office of Civilian Defense.

"We have every reason to believe extra demands will be made upon the women of America and our job is to prepare ourselves now!

"Let us realize that an emergency does exist in America.

"The purpose of our National Physical Fitness Program is, therefore, to develop among individuals of all ages a desire for the well-being which comes with physical fitness—to build and strengthen morale through this Nation-wide program and to enlist the support of organized agencies and individual volunteers for the carrying out of local, State, and national programs, contributing to the improvement of national health.

"With the assistance of an Advisory Board made up of experts in all phases of health, we have agreed that the four essentials to acquiring and maintaining good health are sleep, food, exercise, mental health.

Sound health habits important

"Statistics show there is widespread malnutrition in our country, that the average person does not regularly get sufficient sleep, nor realizes the importance of rest in maintaining physical fitness. The leave-of-absence list of any large industrial plant or business house shows that colds are frequent among all classes of workers, and that they could be eliminated if sound health habits were adopted.

"Our program will circulate information which will help everyone to become health-conscious. We have the cooperation of all the champions of sports and games. They bear out the testimony that physical fitness is fun. Of equal importance, physical fitness prepares us to face the future with high morale and the ability to make our lives happier and ourselves worthy citizens of a great country."

Asphalt manufacturers asked to hold down prices

Manufacturers of asphalt are being asked by the Office of Price Administration not to write contracts for 1942 sales at prices higher than the prices in contracts signed January 1, 1941, Administrator Henderson announced December 5.

Likewise, the manufacturers are being asked not to make open market sales at prices higher than the January 1, 1941, contract market prices. The letter embodying these requests is now being prepared and will be sent out shortly to more than a hundred manufacturers.

Asphalt is an end product secured in the distillation of crude oil. It is used principally in the manufacture of roofing and as a paving material. Approximately 75 percent of all asphalt is sold under annual contracts ordinarily entered into at the first of each year. A small amount is sold on the open market, usually at prices somewhat higher than the annual contract price.

During the past year open market prices have increased substantially throughout the entire country. Prices of asphalt vary widely, depending upon the distance from fields where asphaltic base crude oil is found. Along the Eastern seaboard the open market price on one principal grade of asphalt rose during 1941 from around \$13 a ton for major grades to as much as \$15 and there have been requests received by OPA for additional increases.

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Marine paint producers granted A-3 rating for raw materials

Manufacturers of marine paints have been accorded the use of preference rating A-3 to obtain necessary raw materials by order of the Division of Priorities.

Materials used in marine paints have become increasingly scarce, and the preference order of December 5 was issued to avoid the possibility that ships might be delayed by lack of the paint necessary to keep them in proper condition.

To qualify for use of a preference rating under Order P-65, a producer of marine paint must supply to the chemicals section of the Priorities Division, on Form PD-82, information as to his volume of production, inventory, and anticipated needs for the specified scarce materials covered by the order, by 3-month periods.

P-65 will remain in effect until revoked. Effective date is December 5.

Restrictions lifted on power in South as heavy rain contributes to relief

A heavy general rainstorm, which began December 4 throughout the Southeast and which was still continuing in many sections the next day, has now made it possible to remove all restrictions on power use in that area. It was announced December 5 by Priorities Director Nelson.

The rains had already averaged from 1 to 3 inches throughout the area, and thus had greatly increased the available supply of hydropower.

The restrictions lifted at once included the "blackout" and the "freezing" of industrial power consumption to September levels. These proved extremely effective during the critical period of shortage in holding power consumption within the capacity of the Southeastern power systems.

Pool must be continued

Mr. Nelson announced, however, that it would be absolutely essential to continue in effect, at least for December, the 13 State power pool which has been instrumental in safeguarding power supplies throughout the area and permitting maximum use of plants within the area by bringing in from the surrounding area large quantities of surplus power.

The power pooling arrangement which was set up and supervised by the OPM power branch is now bringing into the Southeast more than 42,500,000 kilowatt-hours per week. This exceeds by about 15,000,000 kilowatt-hours the highest amount brought in during any week prior to the OPM power pool and is far in excess of prior estimates by other Government agencies or by private agencies as to the amount of power which could be brought in. The pool has been described by technical experts as the greatest electrical grid operation in history.

Mr. Nelson announced the December 5 actions after consideration of a report on the power curtailment and pooling operations submitted to him by J. A. Krug, chief of the power branch, who was in charge of the program.

Cooperation effective throughout area

In his report, Mr. Krug stated that the power situation in the Southeast had been brought under control by the combination of the curtailments imposed and the widespread effective cooperation which was given OPM orders throughout the entire Southeastern area. The

heavy rainstorm proved to be the final factor making it possible to lift the restrictions.

"It is gratifying," Mr. Krug told Mr. Nelson, "that a large measure of assistance and support was received from private business and civic organizations, from newspapers in the area, and from the general public. In spite of the fact that the program has involved heavy sacrifice from many, compliance has been cheerful, willing, and complete. By their response to this emergency, the citizens of an entire region have furnished dramatic evidence of their patriotism and made an important contribution to the defense program."

In making his announcement, Mr. Nelson said: "It is good to know that by prompt steps to save power and by heartening response on the part of the people and industry, together with the rains, it has been possible to handle a problem of considerable gravity in an efficient manner which speaks well of the kind of response we can expect when such steps are necessary."

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Helburn named chief of rubber branch

Appointment of Willard Helburn, of Cambridge, Mass., as chief of the rubber and rubber products branch of the Division of Civilian Supply was announced December 5 by Joseph L. Weiner, deputy director.

Mr. Helburn succeeds Barton Murray, who resigned recently because of the pressure of personal affairs.

Mr. Helburn is president of Willard Helburn, Inc., a leather manufacturing company, of Peabody, Mass. He was graduated from Harvard University in 1904 in the same class with President Roosevelt.

After 2 years as a newspaperman, he entered the leather business headed by his father and has been connected with it for approximately 35 years. He was loaned to the Government in August to organize a hide and leather products section of the old Office of Price Administration and Civilian Supply. Since the Division of Civilian Supply became a part of OPM, he has been serving as a civilian allocation specialist assigned to the textiles, clothing and equipage branch of the Division of Purchases.



Chart presents comparison of fluctuations in prices of 28 commodities basic to our economy with the movement of 15 strategic materials essential to defense. Each group is presented in a series of index numbers based on average prices in August 1939, as equal to 100. Between August 1939 and November this year the price index of basic materials rose 54 percent, and of strategic materials 43 percent.

Basic materials included in this list are wheat, hard winter and dark northern spring flaxseed, barley, corn, butter, tallow, hogs, steers, lard, sugar, coffee, cocoa beans, shellac, rubber, hides, rosin, cottonseed oil, print cloth, silk, wool top, burlap, cotton, steel, scrap, tin, copper, lead, and zinc.

Knudsen urges surveys for power line to Massena aluminum plant

In order to expedite construction of a power line from New York to Massena to serve the new aluminum plant going up at Massena, OPM Director General Knudsen has recommended that surveys be got under way immediately by the Corps of Engineers.

In his letter of November 28 to the Under Secretary of War, Mr. Knudsen said that the OPM had not yet completed the study necessary as a basis for a final conclusion as to the best plan for transmitting surplus New York City power to Massena.

Text of letter

Text of Mr. Knudsen's letter follows: "The President has forwarded to me the recommendation of the Federal Power Commission that a Government-owned transmission line be constructed from New York City to Massena, N. Y., for the purpose of transmitting surplus power for aluminum production at Massena. We understand that the President

contemplates that the Corps of Engineers would construct these facilities.

"The Office of Production Management has not completed the study necessary as a basis for a final conclusion as to the best plan for transmitting surplus New York City power to Massena. However, it is apparent that any plan will require the construction of a Government-owned transmission line from Taylorville to Massena, N. Y. And if our study, when finished, shows that the entire line should be Government-constructed, as the most feasible plan in the interest of national defense, then it would be necessary to construct the New York City-Taylorville section. For these reasons and in order to save all possible time, we therefore recommend that the Corps of Engineers begin immediately the surveys and preliminary engineering necessary for the Taylorville-Massena section and also such general surveys as will be helpful in proceeding with the New York City-Taylorville section if and when it is determined to construct it."

Strategic materials are defined by the Army and Navy Munitions Board as "those essential for national defense, for the supply of which in war dependence must be placed in whole, or in substantial part, on sources outside the continental limits of the United States, and for which strict conservation and control measures will be necessary." They include manila

fiber, antimony, activated carbon, chrome ore, ferromanganese, manganese ore, mercury, mica, nickel, quartz crystals, quinine sulphate, rubber, silk, tin, and tungsten ore.

Since both groups are composed of raw materials they fluctuate in price more sensitively than manufactured or semi-finished goods.

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VICTORY

formerly **DEFENSE**



OFFICIAL WEEKLY BULLETIN OF THE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

DECEMBER 16, 1941

VOLUME 2, NUMBER 50

DEFENSE PROGRESS

MANPOWER

United States Army, Oct. 9.....	1,588,500
Navy and Marine Corps, Nov. 1.....	375,914
Nonagricultural workers, Oct.....	*40,749,000
Percent increase since June 1940.....	14
18 defense industries, Oct.....	2,700,000
Percent increase since June 1940.....	69

FINANCE

June 1940 to latest reporting date	(In millions of dollars)
Authorized program, Nov. 30.....	*64,691
Obligations Oct. 30.....	*45,893
Total disbursements, Nov. 30.....	13,158

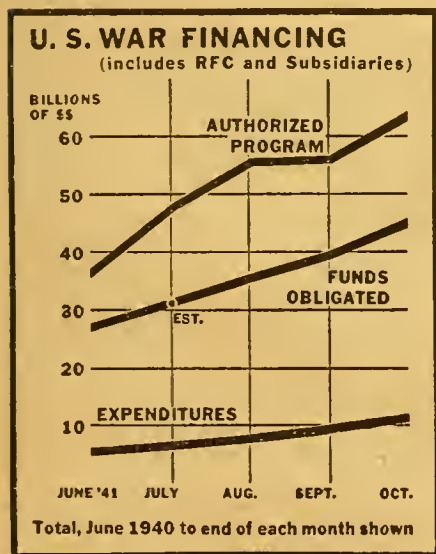
PRODUCTION

Paid on contracts, June 1940-	
October 31, 1941.....	\$9,389,000,000
Combat vessels in October.....	*4
Merchant ships, October.....	*9

Week ended December 13 Strikes Workers

Significant defense strikes in progress during week.....	1	100
Number settled.....	3	400

*Preliminary.



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Review of the Week

In a week which found the United States finally at war with all the Axis Powers, production officials brought back from a White House conference plans to work armament factories around the clock seven days in seven. As Congress prepared measures to provide and equip greatly augmented fighting forces, OPM Director General Knudsen and Production Director Harrison told the press the extra effort is being applied immediately to speeding up delivery of anti-aircraft guns, ships, planes, and tanks in the order in which they may be needed. Mr. Knudsen described a Victory Program which contemplates doubling the heavy bomber schedule to roughly a thousand a month.

Speed up now, negotiate later

OPM Associate Director General Hillman appealed to the Congress of Industrial Organizations and the American Federation of Labor to apply the 168-hour week in war plants immediately and negotiate adjustments later. The War Production Committee of the International Union of Mine, Mill and Smelter Workers, CIO, recommended to the OPM Labor Division 7-day, 3-shift operation of the Nation's copper, zinc, and lead mine facilities.

Curtailments revised

The OPM agencies revised their curtailments of civilian goods in the light of the immense new need for arms. The passenger car and light truck production maximums already announced were cut by one-fourth for December and cut in half for January to reserve the steel and other indispensable materials for war. February reductions in domestic washing machines will be more than double those for previous months. Automatic phonographs are to be cut by proportions reaching, in February, 75 percent. At that time the production of gaming machines will be forbidden.

Public utilities were forbidden to undertake any substantial expansion without permission from OPM.

At the same time OPM set up an inven-

tory and requisitioning section to acquire war materials promptly "whenever normal sources of supply are inadequate." Priorities Director Nelson appealed to manufacturers with inventories greater than their immediate needs to place them at the disposal of the Government voluntarily "in order that we may get these materials immediately without having to resort to the slower processes of requisition."

Imported materials guarded

Far-reaching steps were taken to guard the supply and price of imported war materials and foods. The sale of new tires and tubes was forbidden from December 11 to 22, except on top defense orders, and the processing of rubber, practically all of which comes from the Far East, was put under stringent control by the Priorities Division. The use of iridium in jewelry was banned except when specific permission is given. Iridium is needed for airplane engines. The Office of Price Administration prescribed maximum charges for all those materials commercially known as fats and oils, except butter; on unprocessed coffee, cocoa, and pepper; and on cocoa butter.

The OPM Materials Division asked strict limits on deliveries of glycerin, a component of explosives which is made largely out of Philippine coconut oil.

The Priorities Division took control of the entire supply of shearlings (skins of sheep that have been sheared) so that flying suits for our air forces will not run short. Houses supplying the petroleum industry were given an A-8 rating on materials. Manufacturers of industrial explosives, and makers of insecticides, fungicides, and germicides received priority aid. Allocation of silk was continued, as was the order giving aid to manufacturers of mining equipment. Copper restrictions were relaxed to a certain extent to permit use of metal already partly fabricated.

Priority aid was prepared for completion of 7,042 dwelling units under construction by the United States Housing Authority.

Miss Harriet Elliott resigned as associate administrator of OPA. She had been in charge of the Consumer Division since the formation of the Advisory Commission to the Council of National Defense, at the beginning of the defense program.

OPA established a ceiling which reduces prices of old rags, a basic material in roofing, linoleum and certain grades of paper. Representatives of iron and steel scrap buyers and sellers, at a meeting with OPA, expressed satisfaction with the general level of prices under the present ceiling; but Administrator Henderson named two dealers in the Middle West as "frequent and persistent" violators of the schedule. OPA forecast action on the prices of scrap and secondary lead.

A Nation-wide study of crude oil production costs was undertaken by the Tariff Commission at the request of OPA.

Makers of parts for common barrels agreed to abide by reduced prices until a formal schedule is issued shortly. OPA asked producers of the solvents of industrial alcohol, butanol and acetone to refrain from quoting prices for delivery after January 1, pending steps to insure stability under wartime conditions.

Reported resales of rayon yarn at mark-ups higher than those approved by OPA moved Price Administrator Henderson to ask leading jobbers and converters for price lists. It was announced a ceiling would be imposed on raw wool.

OPA moved into the retail field with a price ceiling on flashlights, bulbs, and batteries which are a "must" in coastal areas threatened with air raids.

Reality of civilian defense

The Office of Civilian Defense attacked a task imbued with a sudden reality. The academic stage of planning has passed, Director LaGuardia said, in urging regional medical officers to get emergency field medical units and field casualty stations established on both coasts. OCD issued instructions on what to do in air raids, and cautioned parents to keep up the family morale by staying calm and giving the children useful tasks. Mr. LaGuardia announced creation of a Civil Air Patrol to enlist a personnel of 280,000 and take some of the pressure off the armed services.

VICTORY

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OUR STAKE IN THE PACIFIC . . .

Tin, rubber, manganese, chromite, tungsten, mica, rope, oils, and copra depend on keeping the sea lanes open

The Division of Information, Office for Emergency Management, last week released the following survey of our material stake in the Pacific:

The United States has vast and vital interests in the Pacific, so vital that our lifeline to the Orient must be kept open with all possible energy. Our interests are in raw materials that are not obtainable elsewhere in the quantities we need.

The Nation was prepared—materials-wise—when the Japanese blow came. For many months we have been building stockpiles. We have lots of the stuff we need—and we are going to get more, which will insure our ability to press the fight for democracy on all fronts.

Best known of these vital imports are tin and rubber, but they are by no means the only materials for which we look to this far corner of the world. Chromite, manganese, and tungsten for hardening steel; kapok for making life preservers; graphite for lubricating the machines of modern war; mica for insulation; manila fiber for making rope; the tea that we drink and pig bristles for brushes—these and countless other things required for our national welfare we intend to get from the Far East and the Pacific.

Tin most important

Tin is probably the most important of our Pacific imports, and the one hardest to replace. We consume more than 100,000 tons of tin a year, produce practically none. Singapore and the Netherlands Indies provide us with our supply.

Canned food, a staple of American life, for soldiers as well as civilians, uses most of the tin imports. While glass can be substituted to some extent, and studies have been made of the use of silver as a lining for cans, tin is the most practical.

We have a good stockpile of tin on hand in this country; we are building a smelter in Texas to refine Bolivian tin ore. Careful conservation of our supply and possible expansion of the Texas smelter will help us get through the emergency. Nevertheless, the best solution is to keep the Pacific sea lanes open.

98 percent of rubber from Orient

Our situation in rubber parallels that of tin. Ninety-eight percent of our

crude rubber supply, and we are consuming more than 600,000 tons a year, comes from the Orient. In no other part of the world are the quantities we obtain available.

Fortunately for us, we have a "second line of defense" in rubber. Rubber is reclaimable. We now are using about 30 percent reclaimed rubber to 70 percent crude. We can double that use of reclaimed rubber within a few months.

While reclaimed rubber has certain disadvantages, for inner tubes particularly, it and our reserve supply of rubber will carry the Nation for many months. Meantime, we have embarked on an ambitious synthetic rubber production program, that probably could be expanded to fill military demands.

Tungsten comes down the Burma Road

Manganese, chromite, and tungsten are also drawn from the Pacific area. If steel is the bone of modern warfare, these alloying elements are its marrow. They make tough, hard steel, the kind that is used for armor plate and for projectiles that will pierce armor. They make possible modern tanks and fighting ships, war planes and guns. We need these minerals, all of them we can get.

We can facilitate the manganese problem by increasing imports from Brazil, Cuba, and South Africa, and by rapid expansion of domestic production from low-grade ores. Molybdenum, plentiful here, may be substituted for tungsten in many cases.

Approximately a third of our chromium supply comes from the Philippine Islands and New Caledonia, the remainder from Africa, Turkey, and Cuba. This makes freedom of the seas in the Pacific all the more important.

Elements of armor plate

Low-grade chromite deposits in the United States are now being worked, so that we can increase our domestic supply as much as possible.

Japan's threat to the Burma Road is a direct threat to tungsten, for down

its wandering curves comes the bulk of our supply. Domestic production increased sharply in 1941, and South America also is producing tungsten in quantity. Nevertheless, we imported twice as much as we produced this year and we need all we can get. Priority control exercised by the Office of Production Management has resulted in an increased use of molybdenum alloy in place of tungsten, but for certain military uses, tungsten steel is the best.

We depend upon Madagascar and Ceylon for graphite, particularly the higher grades. Deposits in Alabama, Texas, and Pennsylvania, however, will serve the purpose in the emergency.

Can't do without mica

Mica, particularly mica splittings, also are involved in the Pacific. We get 90 percent of our present supplies of this vital material from India, the remainder from Madagascar. Mica splittings provide the insulation necessary for electrical equipment and we cannot do without it. While we have a goodly supply on hand, we do not have enough to be independent of imports. This is partly a question of training labor, however, as mica splitting is difficult and tedious work. We can learn to split mica in this country if we have to.

All of the world's supply of Manila fiber, from which rope is made, comes from the Philippines area. There is no substitute for it and nothing takes the place of rope where rope is needed.

While these are the most important materials we get from the Orient they are by no means all. Palm oil, for instance, is important for tin plating. We get it from the Netherlands Indies, the Philippines and the other islands of the East Indies. Coconut oil, from which we make glycerin, comes from the same area.

We probably can get along without hides from Australia and New Zealand, and Australia's lead. But the various tanning agents, such as mangrove bark, which we get from the Far East are vital to our welfare. Then there are a world of things of lesser importance, such as sisal, burlap and jute, tapioca, tea, antimony, cobalt, tung oil, copra, mahogany, camphor, nutmegs, and pepper.

168-hour work week for victory, doubled bomber plans described by Knudsen

A 168-hour work week on planes, tanks, guns, ammunition, and ships in the new Victory Program was agreed on in a White House conference last week, OPM Director General Knudsen told the press December 10. Questioning developed that heavy bomber production plans would be stepped up to about a thousand a month. Mr. Knudsen said he was in favor of a "work or fight" labor policy.

Excerpts from the transcript of the press conference follow:

Q. Do you see the prospect that the man-hours per skilled worker will be materially enlarged now in order to keep these plants going 7 days a week—the amount of man-hours per week will be materially increased?

A. We were over in the White House yesterday, you know, and we agreed that we should work 168 hours a week on all of the principal groups, meaning planes, tanks, guns, ammunition, and ships; as fast as we can get the men on and the material there for it and have the machines for it, we will run 168 hours.

Will try shifts first

Q. Can this be done, Mr. Knudsen, without materially increasing the number of hours per shift of men now working, or hours per week?

A. First we will try to swing shift the thing and get all the men we can use out of the locality, and then when we have got everything we can get out of that, then we will have to increase the hours.

Q. Do you foresee the prospect that the Wage-Hour Act will have to be suspended for the duration in relation to defense industries?

A. That question cannot be raised until we have absorbed the extra labor supply that is available.

"Let's size up"

Q. Don't you think that will come soon, sir?

A. It might, I don't know. Of course, the attack and this sudden blow, have brought everybody up with a sharp halt, and "Let's size up what we have got to do now," and I am sure that we will get a response that is commensurate with my estimate of what is going to happen.

Q. Mr. Knudsen, in any of these industries can you run on 168 hours per week even where you have got the machine tools without materially increasing the work week per man?

A. Yes, you can do that if you can get sufficient swing shifts in on it.

Q. As a practical possibility, what industries can you do that in today?

A. Any machine shop.

Q. You have got an abundance of skilled labor for that purpose?

A. I imagine—if you say "skilled la-

KNUDSEN'S STATEMENT

The following statement was issued by OPM Director General Knudsen at his December 10 press conference:

TO ALL AMERICANS WORKING FOR DEFENSE—The hour has come. We must all center our efforts on production of the munitions of war. America's production engine that is turning now must be speeded up to maximum output. Let us move all schedules forward and put the supreme effort into getting more and still more material, that our fighting forces may have the means of carrying on total war.

WAR IS HERE—We are attacked. The Office of Production Management appeals for the utmost effort from American labor and management that victory may come swiftly and be complete. Man-hours worked by willing hands will do it.

bor," you mean manufacturers' labor, you don't mean tool makers.

Q. Whatever you need to keep those five industries going.

A. Most of the skilled mechanics trades are working more than 40 hours a week. In fact the machine tool is working 51 per week.

Q. The manufacturer is paying them time and a half; isn't that correct?

A. Yes.

Of labor contracts

Q. Do you think that the thing should go on in that way at time and a half for the Victory Program?

A. As long as they have got labor contracts that call for it they will pay it.

Q. You don't think those should be suspended?

A. How can you suspend a labor contract with the man you made the contract with? The Act puts the maximum hours that you can work as long as

there is help enough, and the time to suspend that or change it is when you haven't got help enough.

Converting civilian plants

Q. Do you have any estimates of the number of civilian factories that can be converted or are available for conversion?

A. What I have, sir, is only what has been given me, and I think the figures are pretty general now, but we have, of course, a couple hundred thousand factories in the United States of all sorts and all trades, and Mr. Odum is engaged in getting the metal trades factories separated from those.

Q. Do you anticipate putting all of them to work under the Victory Program?

A. Wherever we can find that they can do a part of it we want them to do it. In some cases, you know, they might only be able to do roughing work and have to have it finished somewhere else.

New plants must be built

Q. In your statement last night you stated that the existing plants won't be enough, that new plants will have to be built . . .

A. There are certain kinds of plants that have to be built—explosives plants; there are no explosives plants—gun powder, TNT, sulphuric acid, and all of the ingredients that have to go with that.

Q. That is, for the rest, guns, planes, you can use existing facilities rather than building new ones?

A. We will have to have more bomber plants.

Doubling bomber program

Q. What would that call for, doubling the 505 a month that they are talking about now?

A. About that.

Q. That would be 1,010 a month.

A. I won't argue with you about the 10.

Q. In New England during the air raid warnings a number of factories were shut down and evacuated, and considerable production was lost. We were wondering whether you had given any attention in your Division to means of assuring that production is not shut down until absolutely essential.

A. This is the first time it happened, and we haven't got used to that kind of thing yet. In other places they are used to it and they don't shut down; they keep right on working.

Q. Do you look for that to be sort of systematized here?

A. Yes.

Q. What looks like the bottleneck to the Victory Program—machine tools or materials?

A. Some of both.

Q. Can you say which materials?

A. It is really a distribution and scheduling problem, you see. It might be one material today and tomorrow it might be another one. We have to deal with it as fast as it comes up through the allocation system.

Q. Will the future four-engine bomber plants be located away from danger areas like coasts?

A. Yes, sir.

Question of moving strategic plants

Q. Have any provisions been made to remove that expensive machinery in case of air attack, as the Russians have done, further inland?

A. I imagine we will do that.

Q. You will make plans for that?

A. If it is advisable.

How to get the 168-hour week

Q. Mr. Knudsen, the appeal for the 168-hour week has gone out from you, the War Department and the President on several occasions and we still apparently haven't got it. Do you propose any other method besides an appeal?

A. No; I think the Japs will take care of that.

Q. To what extent have you already drawn up your schedules under the Victory Program in the various types of armament, Mr. Knudsen?

A. I have only made a preliminary forecast to President Roosevelt yesterday. The program is not in final form.

Q. How soon do you think that the war industry generally can be on a 168-hour week?

A. Of course, a thing like that you don't start with a wave of the hand. You begin to get the industries where you have pressure—the bottlenecks, one after the other, and speed them up. Take your ships; that will probably be one of the first ones; your planes, your heavy planes will be up in the first rank; your antiaircraft guns naturally will get attention right off the bat.

Q. Are you going to hold—have you scheduled any meetings with industry and labor?

A. We had this one this morning, and we have one tomorrow and the next day—as fast as we can get them in here we are going to do that on the most critical items.

Effect on tank plans

Q. Does this program now since Sunday call for some change in this large tank program; that is, a revision of that

Shift to 24-hour 7-day production now, negotiate later, Hillman asks AFL and CIO

Sidney Hillman, OPM associate director general, sent the following letter December 11 to William Green, president, American Federation of Labor, and Philip Murray, president, Congress of Industrial Organizations:

"The outbreak of war makes it imperative that American defense industries increase their production to the maximum as fast as that is humanly possible. American labor, I know, insists that nothing be left undone to equip our armed forces with the tanks, guns, planes, and ships required to insure victory.

"The President has asked that all defense plants be put into continuous operation, 7 days per week, 24 hours per day. Most of these plants are now covered by collective bargaining agreements, with regulations governing work assignments. These regulations will of course be involved to some extent in the change-over to continuous operation. In normal times, any necessary modifica-

tions or adjustments in those regulations would be negotiated before working schedules were rearranged.

"To prevent delay, I ask that the (labor organization) now urge its constituent unions to short-cut this procedure. I suggest that continuous operation be introduced immediately, and that adjustments required under trade union agreements be negotiated while the change-over is being made, or after it is completed. Where compensation bases are involved, I suggest it be understood that final agreements be retroactive to the date of the change-over. I further suggest that any question not settled promptly in negotiation be submitted to arbitration."

The organizations are "responding magnificently to the test of war," Mr. Hillman wrote. "Your vigorous pressure for immediate adoption of continuous operations in defense industries will be one more demonstration of labor's ability to meet that test successfully."

in favor of ships and bombers and planes?

A. No; not so far.

Q. Do you think it would—do you think the need for shipping, that is, naval vessels, would be greater than tanks?

A. I think SPAB will take up the question of rotation. This priorities job is by rotation. They will probably take that up.

Q. Mr. Knudsen, what is your forecast on the monthly expenditure that will have to be made to accomplish the Victory Program as far as the Victory Program has been scheduled now?

A. More than double what we have now.

Q. It is around 2 billion now.

A. We will have to go considerably beyond that.

Q. Are all production schedules being projected into 1944 and 1945?

A. Not so far. We have only got to 1943 so far.

Q. They are likely to be, aren't they?

A. Yes, increase them all along the line and try to get these requirements in.

Q. Mr. Knudsen, Colonel Battle of the War Department, I believe, said the other day that we already had a shortage of skilled labor. That is why I keep coming back to this. Don't you think the time is here today where if we increase beyond present output our production of

military items that the work-week will have to be extended?

A. I don't know. The work-week has been extended every other place where they have war. My only point is that as long as we have got idle people to put in to take a place we aren't justified in asking it.

Q. You don't think that time has come today?

A. It hasn't come today. You know there is a great training program.

Q. Do you foresee the possibility when this country will conscript labor as the British have done? For example, I have heard that in New York alone there are a lot of unemployed mechanics who refuse to leave the State of New York or the City of New York, and who are unemployed there.

Favors "work or fight" policy

A. Well, maybe if something happens to New York they will be darned glad to leave. I haven't any sympathy with the chap that doesn't want to go away to take a job when we are in the shape we are now.

Q. Do you believe there will be a time when you will have to conscript them as the British have done; in other words, you will have to work in this industry—

A. Work or fight?

Q. That's right.

A. Good; I am for it.

PRIORITIES . . .

Inventory and requisition section set up in OPM for action when normal sources fail

An inventory and requisitioning section is being set up in OPM to provide for prompt acquisition of war materials whenever normal sources of supply are inadequate, it was announced December 9.

The new section will administer the power to requisition materials and supplies as provided in the Executive order of the President issued November 19, 1941, Providing for the Administration of the Requisitioning of Property Required for National Defense.

To supplement priorities

Through the section established December 9, OPM may requisition materials directly or may review and approve requisition orders issued by other Government agencies.

The requisitioning procedure will not be used to interfere with control over the flow of materials to war and essential civilian industries by the priorities system, but will supplement the priority system whenever priority orders are insufficient to get essential materials to the right place at the right time.

Tupper to act as chief

The inventory and requisitioning section will be in the Priorities Division of OPM. E. A. Tupper will act as chief of the section, under the general supervision of L. J. Martin, chief of the compliance and field service branch.

To facilitate the work of the new section, the survey of existing inventories of scarce materials which has been undertaken by the industrial branches of OPM will be speeded up, and inventory control will be tightened all along the line.

Hoarded materials to be taken as needed

Priorities Regulation No. 1 provides that inventories must be kept down to the minimum practicable working level. This regulation will be strictly enforced. Hoarded scarce materials will be requisitioned as needed.

Regulations governing requisition procedure under the act of October 10, 1940 (Public No. 929, 76th Cong.), and the act of October 16, 1941 (Public No. 274, 77th Cong.), have been prepared and approved by SPAB. They will be pub-

lished in the Federal Register. The regulations provide for determination of fair compensation for all property requisitioned.

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Nelson calls on manufacturers to release inventory surpluses voluntarily for war production

Donald M. Nelson, Director of Priorities, on December 11 appealed to manufacturers holding inventories of materials greater than their immediate needs to make their surpluses available for military production.

His appeal followed the announcement of creation of the new inventories and requisition section of OPM which has power to requisition necessary materials.

"We know," Mr. Nelson said, "that many manufacturers both large and small are holding inventories, particularly of metals, in excess of present demand.

"These metals are needed, and needed now, for war. We want to forge every weapon at our command, and we want to do it immediately. Patriotic and voluntary release of inventories will help us, at the moment, more than any other one thing to do just that.

"Iron and steel scrap is equally as important as any raw material. I appeal to everyone who has scrap on hand in quantities to respond to this appeal."

Mr. Nelson asked manufacturers to wire to him directly giving size of inventories of critical materials and amounts of each they can spare for allocation to war production.

He urged a complete Nation-wide response to his appeal "in order that we may get these materials immediately without having to resort to the slower processes of requisition."

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Mining order extended

Telegraphic notice has been sent by the Priorities Division to manufacturers of mining machinery and equipment, operating under the terms of Preference Rating Order P-23, that the order has been extended to December 31, 1941.

Sale of new tires banned until December 22

A flat prohibition on the sale of all new automobile tires except for top defense orders, to be effective from December 11 until December 22, was ordered December 10 by Priorities Director Nelson, on the recommendation of the rubber and rubber products branch of the Division of Civilian Supply.

The order is designed to stop a consumers' buying wave which broke out following Japanese attack on American territory December 7.

Although it contains a number of other rigid restrictions on the handling and processing of rubber products, the prohibition of new tire sales is the most sweeping part of the order.

The prohibition means that no new automobile, truck, bus, or motorcycle, farm implement or other type of tire or tube may be sold by anyone—including tire stores, both wholesale and retail; filling stations, automobile dealers or any others—except on Preference Rating Orders of A-3 or higher.

Doesn't apply to used articles

The restriction, however, does not apply to the sale of used tires and tubes, retreaded tires, or to the sale of tires and tubes furnished with new or used automotive vehicles.

Violators of this order will be subject to severe penalties.

Although the present prohibition on tire sales is effective only until December 22, a more lasting plan for controlling distribution of tires is to be worked out.

Processing restricted

Other restrictions of the order are effective at once and will remain in effect until further notice. General provisions of the order include:

Processors may not consume or process any rubber except for preference rating orders carrying an A-3 rating or higher and for certain other excepted uses specifically listed in the order.

Rubber may not be processed for the excepted uses at rates during December and later months greater than the rate of consumption in November; provided that this does not apply to purchase orders with rating of A-3 or higher.

Copper restrictions relaxed on partly fabricated metal

Manufacturers of copper and copper-alloy articles will be permitted to use, to a limited extent, inventories of partially fabricated metal between now and March 31, 1942, Priorities Director Nelson announced December 8. Restrictions were to have gone into effect January 1, 1942.

Restrictions are (1) that the material was on hand as of December 1, 1941; (2) that the metal was in a form or alloy that could not be used in the manufacture of any item not on List A of the order; (3) that no additional copper be required to complete the item; (4) that the aggregate metal used does not exceed twice the amount permitted between October 15 and December 31, 1941, and (5) that by December 20, 1941, each manufacturer files with the OPM Form PD-189, establishing the facts in his case, setting forth inventories and other particulars.

Some exemptions added

In addition to the prohibitory List A, a List B is added which makes specific exemptions for certain uses where the use of other material is impractical.

Minor changes are made in List A, largely concerned with building supplies and fire-fighting equipment.

Several changes are made for purposes of clarification, the most important being the statement that restrictions of the order do not apply to installation of a finished product for the ultimate consumer.

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Error in copper order corrected

There is an error on page 3, paragraph one, of the mimeographed copy of Copper Conservation Order M-9-c, as amended, distributed for release in a. m. papers of December 8.

In line three of that paragraph, "List A" should read "List B."

The paragraph in question should read as follows:

"(b) GENERAL EXCEPTION

"The prohibitions and restrictions contained in paragraphs (a) and (c) shall not apply to the use of Copper or Copper Base Alloy in the manufacture of any item on List "B" attached where and to the extent that the use of any less scarce material is impractical, nor in articles, or parts thereof, which are being produced."

Large utility expansions subject to OPM approval whether aid is asked or not

Public utilities are forbidden to undertake any substantial expansion of property or equipment without express permission from the Office of Production Management, according to amendments to Preference Rating Order P-46, issued December 11 by the Division of Priorities.

Covers REA cooperatives

The order as amended applies to all producers engaged in supplying electric power, gas, water, public sanitation services, or central steam heating, regardless of whether or not they have applied for priority assistance by executing an acceptance of the order. It applies to publicly owned as well as private utility companies, and will cover Rural Electrification Administration cooperatives.

Policy on projects under way

The amendments announced December 11 are in line with the policy adopted the previous week by the Supply Priorities and Allocations Board of disapproving projects for new or expanded utilities unless they are essential. However, projects already under way and at least 40 percent complete as of December 5 may be finished if the utility has supplies on hand for the purpose, or is granted priority assistance to obtain them.

With that one exception, utilities may not without permission withdraw materials even from their own stores or inventories for expansion projects costing more than \$1,500 in the case of underground connections or more than \$500 in other cases.

Ban applies whether aid is asked or not

Preference Rating Order P-46 as originally issued on September 17, 1941, permitted specified utilities and their suppliers, after executing an acceptance of the order, to use an A-10 rating to obtain maintenance and repair materials and operating supplies. It contained inventory and other restrictions which were construed not to apply to utilities which did not execute the acceptance or apply for priority assistance. With the December 11 amendments, the order covers all utilities of the types specified, without exception.

Utilities will continue to receive priority assistance when necessary to obtain operating supplies and materials needed

for maintenance and repair, with certain restrictions based on use during 1940.

All utilities are required to maintain a continuing inventory of material included in stores accounts.

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Supplementary rayon yarn orders continued indefinitely

Priorities Director Nelson signed an order December 10 continuing indefinitely Supplementary Order M-37-a allocating rayon yarn and Supplementary Order M-37-b designating the textile tabulating office, Bureau of Research and Statistics, OPM, to receive reports provided for in the allocation order. Both supplementary orders would have expired at midnight December 31, 1941.

Silk shortage continues

Indefinite continuance was decided upon because the situation caused by the shortage of silk and the use of rayon as a substitute, which made necessary the order allocating rayon, still exists. It is believed better not to have a specific termination date, as this causes uncertainty in the industry. The orders can be terminated when the situation permits.

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Welding release, T 58, corrected

OPM release T-58, dated November 29, 1941, stated erroneously that electrodes were included in the priority assistance granted by extension of Preference Rating Order No. P-39, covering arc welding and resistance welding equipment. The last paragraph of the release should have read:

"Preference Rating Order No. P-39, which assigned a preference rating of A-1-c to delivery of materials to be physically incorporated into or necessary to the production of, arc welding and resistance welding equipment, *excluding electrodes*, was extended to March 15, 1942."

A preference rating of A-1-c was assigned to orders for materials entering into the production of resistance welding electrodes, when authorized in each case, by Preference Rating Order No. P-85 issued December 3, 1941.

Passenger car and light truck quotas cut still further for December, January

Passenger-car and light-truck production quotas for December will be cut 25 percent and those for January 50 percent, Leon Henderson, Director of the Division of Civilian Supply, announced December 11.

The program, Mr. Henderson said, has received the wholehearted approval and cooperation of industry and labor.

This month's curtailment was to take effect December 15. This means a reduction of 51,212 cars from the quota of 204,848 cars fixed for the entire month. In January, 102,424 cars will be cut from the quota of 204,848. Passenger-car output in December, 1940, was 396,823, and in January, this year, it was 418,350.

Light-truck (less than 1½ tons) production beginning December 15 will be cut by 6,042 trucks from the quota of 24,169 established for the month, and output in January will be reduced by 12,084.

February quotas revoked

In asking the automotive industry and labor to make this contribution to the country's huge war effort, Mr. Henderson said that the automotive, transportation, and farm-equipment branch is undertaking an intensive study of the industry's problems to determine how production will be affected beginning February 1.

The February passenger-car allotments, which were announced November 19, naturally are being revoked pending the outcome of the study. The quota for that month was fixed at 174,122 cars, a reduction of 56.1 percent below this February's output. No plans for February production of light trucks have been announced.

Details left to management, labor

"I want to emphasize again," Mr. Henderson said, "that there is no guarantee that sufficient materials will be available to permit manufacturers to achieve the maximum production permitted."

Producers will be permitted to adjust their schedules between December 15 and January 31 in any way so that the overall curtailment will be worked out effectively from the viewpoint of both management and labor. The Division of Civilian Supply will leave to representatives of management and labor the task of working out the most effective method.

The increased emergency curtailment program was discussed December 10 at

an informal meeting with manufacturers, and at a meeting December 11 with representatives of labor.

At these meetings, it was pointed out that the automotive industry uses vast amounts of rubber, which is now under a freezing order issued by Priorities Director Nelson, and large quantities of steel.

Use of existing auto "bright work" extended to December 31; some parts exempt

An order postponing the effective date of the ban on bright work in passenger cars and exempting certain functional parts was issued December 10 by Priorities Director Nelson.

These changes were recommended by the automotive, transportation, and farm equipment branch of the Division of Civilian Supply as the result of a meeting November 19 with the passenger car subcommittee of the automotive defense industry advisory committee. The committee was informed of these recommendations and an announcement of them was made.

The order gives passenger car manufacturers until December 31 to use up existing stocks of "bright work" in its present form containing chrome, aluminum, nickel, or copper. The original order prohibited use of "bright work" containing these materials after December 15, except where special permission was granted for bumpers and bumper guard assemblies.

External windshield wiper arm and blade assemblies, external lock cylinder caps and covers, ventilator window latches, and body trim bright screws are exempt from the ban. These are functional parts for which no substitutes have yet been found.

Users must file statements

Bright work parts which were in inventory or in process of manufacture on October 27, the date of issuance of the original order, may continue to be used after December 31 only if they are treated by some practical method such as acid etching and sand blasting so that they forever lose their identity as bright finish.

Producers desiring to take advantage of the modifications must file with the automotive, transportation and farm

Ninety-eight percent of the crude rubber used in this country is imported from the Orient. A large stock pile of crude rubber has been built up to serve as a cushion against the effects of the war, but it was explained that this reserve must be used with great care. Increasingly smaller amounts will be available for new passenger cars and light trucks.

As a further conservation measure, no spare tires are being placed on passenger cars and light trucks now coming off assembly lines.

equipment branch before December 15 a statement of October 27 inventories of "bright work," and what steps they intend to take to comply with permanent removal of bright finish. Proof of compliance must be furnished upon request of the branch.

Two other orders affecting the automotive industry were issued December 10.

One merely formalizes the February 1942 passenger car production quotas, which were announced November 19.

Carrier quotas adjusted

The other order increases production quotas for December and January of manufacturers of passenger carriers (motor or electric coaches with not less than 15 seats). Since these vehicles are needed in defense work and because a backlog of unfilled orders has resulted from the original curtailment program, the order permits maximum production for the period December 1-January 31 at the following rates:

White Motor Co.....	132
Twin Coach Co.....	200
General American Aerocoach Co..	60
J. B. Brill Co.....	250
Yellow Truck and Coach Manufacturing Co.....	549
Ford Motor Co.....	260
Mack-International Truck Co....	367

Under the original passenger carrier order, producers were restricted during the period from September 1 to December 31 to two-thirds the number of carriers produced during the first half of the year. Some manufacturers were engaged from January 1 to June 30 in redesigning their products in order to conserve aluminum and other scarce, critical materials. As a result, their production was substantially below normal during this period. The effect of the December 10 order is to adjust hardships.

Sharp cut ordered in "juke box" output; gaming machine manufacture to be banned

Sharp cuts in production of automatic phonographs, familiarly known as juke boxes, and weighing, amusement, and gaming machines were ordered December 10 by Donald M. Nelson, Director of Priorities.

Large quantities of steel and other critical and scarce materials vital to the war effort are used in these machines.

Under Mr. Nelson's order, which was

drafted by the Division of Civilian Supply before the outbreak of war with Japan, manufacture of gaming machines—the so-called slot machines or "one-armed bandits"—will be prohibited beginning February 1 until otherwise ordered by Mr. Nelson.

To conserve steel and other defense materials, the order requires a 25 percent cut in the output of automatic phono-

graphs and weighing and amusement machines (principally pinball machines) during December below production in the 12 months ended June 30, 1941.

The curtailment of these products will be increased to 50 percent beginning January 1 and 75 percent beginning February 1. The last restriction will continue until further notice.

During December, production of gaming machines will be cut 50 percent under the same 12 months' average. This cut will be boosted to 75 percent in January and 100 percent beginning February 1.

Applies to all parts

The curtailment order is designed to cover machines usually, but not necessarily, operated by coins. It applies to all devices and parts of these machines, such as remote control boxes, microphone equipment, wireless systems, etc.

The order also prohibits immediately use of aluminum in any form in the manufacture of any of the listed machines.

Besides steel, the industries affected in the order use substantial amounts of copper and its alloys, nickel, bakelite, and radio tubes. They employ skilled and semiskilled labor, together with highly ingenious engineers, and it is believed by the Division of Civilian Supply that these men will be employed more advantageously in defense work.

12,000 employees estimated

It is estimated that all manufacturers covered by the order employ approximately 12,000 persons. The Labor Division of OPM has been consulted on the curtailment plans and has concurred in them. Many of the manufacturers are engaged in defense work, and it is hoped that an expansion of these activities will be possible shortly.

The manufacturers of cabinets for the automatic phonograph industry have facilities to produce wooden case goods, such as files and lockers for which there is now a large demand and an insufficient supply.

Later, the Division of Civilian Supply will deal with problems resulting from the manufacture of other coin-operated machines, such as cigarette, food, and soft drink dispensing devices.

Before deciding upon the curtailments set forth in the order, the division held several conferences with industry representatives and officials of various Government agencies. It was pointed out at these conferences that the products involved in the curtailment plans fall within the category of less essential civilian use, and that, therefore, cuts sharper than any ordered up to now in other civilian products must be expected.

February cuts in washer and ironer output are double those in present program

Additional cuts in the production of domestic washing machines and ironers were ordered December 12 for February 1942, by Priorities Director Nelson. The new cuts more than double those provided for in the present curtailment program, which has been extended through January.

The domestic laundry equipment industry is engaged in a substantial amount of war work, and is capable of producing 17 different items ranging from anti-aircraft machine gun mounts to bomb fin assemblies. It is expected that it will receive additional contracts as the war production schedule is stepped up.

Cuts range from 40 to 5 percent

During February, under the new order, cuts will range from 40 percent for the largest manufacturers to 5 percent for the smallest manufacturers below monthly average factory sales in the 12 months ended June 30. The range under the original order, covering the five months from August 1 to December 31, was from 20 percent for largest manufacturers to no cut for the smallest.

Four classes of manufacturers are established. The February curtailment for each, compared with the initial cut, is as follows: (based on average monthly sales for the 12 months ended June 30)

Class	5-month cut	February cut
	Percent	Percent
A (average monthly sales of over 12,000 units).....	20	40
B (5,000 to 12,000 units).....	16	35
C (1,200 to 5,000 units).....	12	25
D (less than 1,200 units).....	0	5

The original order was announced October 29, but was retroactive to August 1. It came at a time of very high production for many companies. As a result, hardships resulted in some cases. In order to relieve this situation, the amended order changes the initial curtailment period from August 1–December 31 to September 1–January 31.

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Iridium banned for jewelry manufacture

The Director of Priorities on December 12 prohibited the use of iridium and its alloys in the manufacture of jewelry, except when specific permission is given.

The order, Conservation Order M-49, applies to the use of iridium in jewelry manufacture and does not prohibit the sale of iridium jewelry articles already fabricated.

The purpose of the prohibition is to conserve iridium for military use, principally in the manufacture of hardened platinum magneto points for aircraft. Iridium is the hardening agent. Iridio-platinum alloy also is used in control instruments for tanks and other motorized war equipment.

The advisory committee on metals and minerals previously informed the OPM that ruthenium serves just as well as iridium for jewelry manufacture using platinum, and on July 3, 1941, the OPM requested jewelers to use ruthenium alloys. The December 12 order formalizes and extends that request.

Importers, refiners and dealers in iridium, as well as jewelers, are required to report stocks and inventories as of January 1, 1942. Our sources of iridium are Alaska, Canada, and Colombia.

Material needs of petroleum industry get preference; continuous development sought

Supply houses furnishing materials and equipment to the petroleum industry are assigned a preference rating of A-8 on their orders of specified quantities of materials by Preference Rating Order No. P-83 issued December 8 by the Priorities Division.

This order has the effect of classifying materials needs of the petroleum industry as defense requirements, since orders for materials to be used in the production, refining, transportation, or marketing of petroleum are given a defense rating. Production, as defined in the order, includes discovery, development, and depletion of petroleum pools. Marketing covers the operation of facilities for the distribution of petroleum products, not including natural gas, to service stations or to consumers, including substations, bulk plants, warehouses, and wholesale depots.

Preference Rating Order No. P-83 gives priority assistance in supplying needs of the whole petroleum industry for materials and equipment, because the industry is so organized that the supply houses serve as an inventory of its materials needs.

Tool, equipment makers also covered

The order covers supply houses as that term is generally accepted in the industry, and may also cover tool or equipment manufacturers exclusively engaged in furnishing materials to the petroleum industry. Before being entitled to use of a preference rating under the order, a supply house or manufacturer must execute an acceptance of the terms of the order and must also furnish information as to previous shipments, inventories, and requirements of the materials for which a preference rating is assigned. A special form, PD-82-a, has been prepared for this purpose.

Supplemental orders grant general rating

No supply house may make deliveries obtained by application of the preference rating assigned to it except under purchase orders or contracts which themselves bear a preference rating. Supplemental orders will be issued by the Priorities Division granting a general rating to specified orders for the materials sold through supply houses, so that deliveries of materials will not be held up pending submission of individual applications for

priority assistance by each firm in the petroleum industry.

Manufacturers furnishing materials to the supply houses will be given an opportunity to obtain a rating covering their needs for materials over a 3-month period under the recently announced Production Requirements Plan.

Continuous development provided for

The December 8 order covers materials to be used in the discovery and development of new oil wells, in addition to materials for maintenance and operation, so that continuous development of the Nation's petroleum resources will be provided for. Such continuous development is necessary to avoid a drain on existing wells which would reduce their natural pressure and might require installation of pumping equipment. It is believed that in the long run continuous development of new wells will require a smaller quantity of scarce materials for production equipment than would a more intensive production from existing wells.

All communications referring to this order should be addressed to the Petroleum Coordinator, Washington, D. C.

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Can committee formed

The Bureau of Industry Advisory Committees of the OPM announced December 10 the formation of a can manufacturers' industry advisory committee.

Committee members are:

J. F. Hartlieb, president, Continental Can Co., Inc., 100 East Forty-second Street, New York, N. Y.; D. W. Figgis, executive vice president, American Can Co., 230 Park Avenue, New York, N. Y.; Richard P. Swartz, assistant to the president, Crown Can Co., Erie Avenue at H Street, Philadelphia; F. J. Costello, vice president, Federal Tin Co., Inc., 11 East Barre Street, Baltimore; Adam Batdorf, president, Liberty Can & Sign Co., 303 North Plum Street, Lancaster, Pa.; E. R. Thompson, president, Thompson Can Co., 1304 South Austin Street, Dallas; L. H. Clark, president, J. L. Clark Manufacturing Co., Rockford, Ill.; F. T. Neshitt, vice president & general manager, Owens-Illinois Can Co., Toledo, Ohio; D. M. Heekin, secretary & treasurer, The Heekin Can Co., Sixth, New Culvert Streets, Cincinnati; L. F. Gieg, president, National Can Corporation, 110 East Forty-second Street, New York, N. Y.; George A. Milton, Sr., president, George A. Milton Can Co., Inc., 131-151 West 14th Street, Brooklyn; E. A. Mignacco, general manager, Western Can Co., 665 Third Street, San Francisco; W. C. Cross, vice president, The Carnation Co., Oconomowoc, Wis.; R. S. Solinsky, president, Cans, Inc., 3217 West 47th Place, Chicago.

NEW PRIORITY ORDERS

Following are new and supplementary priority orders issued by the Priority Division up to November 30. A complete list of orders issued through early November appeared in DEFENSE November 18.

The orders, expiration dates, and form numbers where forms are used:

M-44, titanium pigments, until revoked, PD-146, 145.

M-45, sheet metal for steel drums, May 30, 1942, PD-154, 155.

P-9-f, supplementary order, turbo superchargers for heavy bombers, December 31, 1941, A-1-b, PD-48, 48a.

P-45-a, supplementary order, fire-fighting equipment for Forest Service, May 31, 1942, A-8.

P-74, material entering into production of heat treating furnaces, May 15, 1942, A-1-c, PD-81.

P-76, sheet steel used in manufacture of steel containers, May 30, 1942, A-4, PD-156.

P-79, iron and steel products used in production of non-metal containers, March 31, 1942, A-8 (for ferrous materials consisting of wire), A-5 (for other ferrous materials), PD-81.

P-82, rating plan for material entering into the manufacture of blind made products, April 30, 1942, A-8, PD-166, 81, 81a.

L-5-a, supplementary order, to restrict the production of domestic mechanical refrigerators, until revoked.

L-18, to restrict production of domestic vacuum cleaners, until revoked, PD-170, 171.

L-25, limitation order on tin foil and lead foil, until revoked.

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Governors and mayors asked to spread word of tire ban

Telegrams asking cooperation of State governors and mayors of 240 cities with a population of over 50,000 in notifying tire dealers of the ban on tire and tube sales through December 22 were sent out December 11 by Leon Henderson, director, Civilian Supply Division of OPM.

Arrangements were also completed for asking similar aid from mayors in 12,000 other smaller cities.

The telegrams asked that State and municipal police departments and sheriffs be used in notifying dealers of the ban on tire and tube sales. Use of police radio where available was requested. These agencies were also asked to report violations of the OPM order.

Makers of industrial explosives given A-8 rating for materials

Manufacturers of industrial explosives have been granted the assistance of an A-8 rating in acquiring the materials necessary for their production and packaging.

The Priorities Division issued December 12 Preference Rating Order P-86, which will be made available to known efficient producers, following their application, for specific quantities of materials. Producers must apply for the assistance provided by the order on Form PD-82, addressed in triplicate to the chemicals branch, OPM.

Essential for many uses

Industrial explosives are essential. Construction work, quarrying operations, and all coal and metal mining require these explosives.

Industrial explosives, as defined in the order, include:

Liquid nitroglycerine, blasting gelatin, all types of dynamite, such as nitroglycerine dynamites, ammonia dynamites, and non-nitroglycerine dynamites, and all types of black powder, and necessary blasting accessories, such as ordinary blasting caps, electric blasting caps, safety and detonation fuses, blasting machines, and rheostats.

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Glycerin shipments limited pending supply study

Producers, refiners, jobbers, and dealers in glycerin have been requested to ship no glycerin except for direct defense requirements, for hospital and medical use, and except to prevent an immediate shutdown in a civilian plant, the Office of Production Management announced December 10.

Also requested were immediate reports of glycerin stocks of 80 percent content or better, both by totals and by location.

Purpose of the request is to hold present glycerin shipments to a minimum pending a study of supply and requirements.

Cocoon oil, from which a great deal of our glycerin is made, comes largely from the Philippines. It is an important ingredient in the manufacture of explosives.

A-10 preference available to producers of insecticides, germicides, fungicides

Manufacturers of insecticides, germicides, and fungicides are granted priority assistance in obtaining scarce materials by Preference Rating Order P-87, issued December 13 by the Division of Priorities.

The Department of Agriculture has reported that farmers, dairymen and others are finding it difficult or impossible to obtain an adequate supply of germicides, insecticides, and fungicides. The December 13 order gives priority assistance to manufacturers of such materials in order to provide adequate quantities to prevent deterioration or diminution of the Nation's food and seed supply.

Priority assistance under the order may be obtained by 70 specified manufacturers who have been so notified. Other manufacturers may be added to the list from time to time.

Information required

Before becoming eligible for priority assistance under the terms of the order,

a manufacturer must execute an acceptance of the order and furnish certain information to the Priorities Division on Form PD-82, including his estimated materials requirements for the calendar quarter beginning January 1, 1942. Use of a priority rating of A-10 will then be assigned by the Director of Priorities for specified quantities of materials to be obtained during a three-month period by each individual manufacturer.

Insecticides, germicides, and fungicides are defined in the order as chemicals or mixtures of chemicals to be used for the following purposes, provided they are in connection with the production of food:

1. Spraying, dipping, dusting or fumigating domestic animals, seeds, tubers and bulbs, growing plants, stored products and buildings for the purpose of controlling destructive insects, fungi, and bacteria.

2. Disinfecting soil, farm buildings, dairy implements and machinery, cattle and poultry cars.

All shearlings under control to insure Service flying suits

The Office of Production Management on December 12, took over control of the entire shearling supply in this country so that flying suits, jackets, and coats needed by our Service air forces will not run short.

A shearling is the skin of a sheep that has been sheared.

Priorities Director Nelson sent the following telegram to all shearling tanners:

"You are hereby ordered not to tan or dress any shearlings of any grade or of any wool length, nor to dye any tanned or dressed shearlings, except upon direct Government contracts, or in the minimum amount necessary to enable garment manufacturers holding Army or Navy contracts to meet their required delivery schedules, taking into consideration their existing inventories.

"Do not deliver any shearlings to such manufacturers except upon receipt of a sworn statement from them that such deliveries are necessary under the foregoing restrictions. Deliver no shearlings otherwise.

"If you have any doubt as to whether a skin is or is not a shearling, communi-

cate with Joseph W. Byron, chief, leather and shoe section, OPM, before making any deliveries or continuing any processing thereof."

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Need to comply increased by war, Priorities Division warns

The Division of Priorities stated December 12 that the exigencies of war make it more important than ever that American business and industry comply immediately and wholeheartedly with all orders and requests for information issued by the Division.

The warning resulted from a few isolated refusals to report on inventories, needs and uses of certain critical materials.

One firm, which had delayed making a requested report, wired Donald M. Nelson declining to do so, stating that a national emergency was no time to be asking for or filing reports.

In his reply, ordering that the report be made immediately, the Priorities Director said, "Your refusal is unwarranted and has impeded the proper administration of the priorities system."

PRICE ADMINISTRATION . . .

Fats and oils placed under ceiling to prevent runaway prices in basic foods

Ceiling prices over the whole field known to commerce as "fats and oils," except butter, were imposed December 13 by Leon Henderson, administrator, Office of Price Administration, in his second war emergency action to prevent development of runaway prices in basic foodstuffs.

Effective immediately, the new temporary schedule forbids the sale, whether "spot" or "future," of raw, crude, or refined fats and oils, including lard and cottonseed oil, at prices above those prevailing on November 26. The ceiling applies to sales at all stages of distribution, excepting retail. Processed or finished fats and oils products, such as shortening and salad oil, are not covered by the schedule. Also excluded are "essential oils," mineral oils, and chemical oils.

November 26 level chosen

Referring to the exclusion of finished products, the schedule states that should unwarranted price rises occur in these "appropriate action" will be taken by OPA.

The ceiling date of November 26 was selected, according to Mr. Henderson, because it best accomplished OPA's purpose to limit prices to those which preceded "the recent speculative and sharp rise in prices that distorted the normal price relationship between the various fats and oils."

On November 26 the closing price of the December "future" for cottonseed oil on the New York Produce Exchange was 12.50 cents a pound, while the December lard "future" in Chicago closed at 9.77 cents a pound. Comparable prices at the close December 12 were 13.65 cents a pound for cottonseed oil and 10.57 cents a pound for lard.

Studies under way

The present temporary schedule is designed to meet an emergency condition, Mr. Henderson said. Upon completion of studies now under way, it is planned to develop and issue a revised schedule of a more lasting nature.

Contracts made to and including the close of business December 12 may be carried out at the contract prices, even though such prices may be higher than

the established maximums. However, the details of any such contract must be reported to OPA within 10 days after delivery of the product is made or received.

Any contracts made after December 13 in compliance with the temporary ceiling may be carried out at the contract prices, even if maximum prices set in a revised schedule should be below the temporary ceiling.

1,800 fats and oils used

There are approximately 1,800 fats and oils (excluding mineral, essential and chemical oils) that are essential to a wide range of industrial and domestic uses. Their annual consumption (referred to as "disappearance") in the United States exceeds 9,000,000,000 pounds. Excluding butter, which is not affected by the new OPA schedule, the "disappearance" of fats and oils in 1940 was close to 7,500,000,000 pounds. In 1941 this total will be substantially exceeded. Over 96 percent of the total consumption of fats and oils is confined to 16 major forms, of which the most important are lard, cottonseed oil, and inedible tallow and grease, all of domestic origin. Following these leaders in order of their relative "disappearance" are coconut oil, linseed oil, marine animal oil (whale oil, menhaden oil, sardine oil, codliver oil, etc.), soybean oil, palm oil, corn oil, tung oil, edible tallow, peanut oil, castor oil, olive oil, babassu oil, and perilla oil.

The edible fats and oils find their way into salad oils, cooking oils, shortening and oleomargarine. The manufacture of soap, soap powder, and cosmetics absorbs a substantial amount of the inedible fats and oils, while into the production of paints, varnishes, and printing inks go linseed, tung, perilla, fish, soybean, and castor oil.

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COFFEE SCHEDULE CORRECTED

OPA has corrected the text of Price Schedule No. 50, Green Coffee, to make 12.97 cents the maximum on July futures of Santos 4, and 8.55 cents the maximum on March futures of Rio 7.

Ceilings put on cocoa butter and on "raw" coffee, cocoa, pepper

Emergency action to cushion the impact of war on prices of four imported food commodities was taken December 11 by OPA Administrator Henderson in the form of temporary ceiling schedules for coffee, cocoa, and pepper in their "raw" or unprocessed state, and for cocoa butter.

Similar steps with respect to other sensitive foodstuffs of foreign origin will be announced in the near future.

These are interim measures

The administrator ruled that prices of all grades and types of green coffee, cocoa beans and cocoa butter, and whole pepper, whether relating to "spot" sales or "futures," must not exceed the levels prevailing at the close of business December 8, 1941. All contracts made before the effective date, December 11, may be carried out at the contract prices.

The moves December 11, Mr. Henderson stated, are of an interim nature and may be superseded by revised schedules upon completion of investigations now under way. Should this occur, the revised schedules will provide that all contracts entered into before the present temporary schedules became effective may be completed at the contract prices, even if the revised prices are set below the levels of December 8.

No shortages of the foods involved

Mr. Henderson emphasized that there is no shortage, actual or threatened, in coffee, cocoa, or pepper. Coffee, the bulk of which is imported from South America, can be had in quantities only limited by the shipping space available, and stocks within the United States are large. Supplies of cocoa on hand are not far from 5,000,000 bags, possibly the largest in our history and sufficient to supply our needs for 11 months ahead. Cocoa is imported from Africa and South America. Pepper stocks are estimated sufficient for at least 2 years.

Futures trading in Brazilian coffee is conducted on the New York Coffee and Sugar Exchange; in cocoa on the New York Cocoa Exchange; and in pepper on the New York Produce Exchange.

Trading in other than Brazilian coffee centers in New York, New Orleans and San Francisco and is in the form of "actual" or physical coffee, rather than futures.

Dealers evading tire, tube ban can't rebuild stocks under rationing plan

Any tire dealer who evades the temporary ban on new tire and tube sales imposed December 10 by the Office of Production Management will be unable to replenish his stocks under terms of the rationing system now being developed, Leon Henderson, director of the Civilian Supply Division, announced December 13.

General compliance

There is general compliance with the order issued by the Priorities Division of OPM banning new tire and tube sales until December 22, Mr. Henderson stated. However, there have been isolated instances reported in which dealers have failed to comply.

Effect of rationing on stocks

While details of the rationing plan have not been fully completed, it is clear that when the plan is put into operation dealers will not be able to build up stocks by amounts greater than sales under the rationing plan. This means that dealers who violate the current ban on sales and deplete their stocks will not be able to build up the wide range of sizes and lines required to operate a tire business.

"The ban on sales of new tires is an emergency measure of the most imperative urgency," Mr. Henderson stated. "No dealer with a spark of patriotism will violate the strict letter of the order. No patriotic citizen will ask him to do so."

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Scrap rubber dealers asked not to exceed December 5 prices

Leading dealers who sell scrap rubber to reclaiming plants have been asked not to raise their prices above those charged on December 5, OPA Administrator Henderson announced December 11.

If no sales were made December 5, the dealers are requested to be guided by their most recent sale prior to that date.

Text of Mr. Henderson's telegraphic request follows:

I request you refrain from charging higher price on sale of any grade of scrap rubber than you charged your purchaser on December 5, 1941, or, if you made no sale to him on that date then on your most recent sale to him prior to December 5.

Henderson appeals to every American citizen to cooperate in saving rubber

Every American citizen was asked to cooperate in the conservation of rubber in an appeal issued December 11 by Leon Henderson, director, Civilian Supply Division of OPM.

Explaining the reasons for the temporary ban imposed on sales of tires and tubes, Mr. Henderson pointed out that the war in the Pacific threatens the flow of crude rubber into the United States and thus necessitates drastic action to avert scare buying and hoarding of tires and tubes.

Rationing plan being developed

Meanwhile, he stated, a rationing plan is being developed which will insure equitable distribution of tires and tubes. Details will be announced in a few days. In the interim Mr. Henderson urged that any violations of the ban on new tire and tube sales be reported to the Civilian Supply Division office in Washington.

Text of Mr. Henderson's statement follows:

Outbreak of war in the Pacific threatens the flow of crude rubber into the United States. Because of this fact it has become absolutely imperative that this country limit in every possible manner the consumption of rubber, particularly the very large amounts required for automobile tires and tubes.

Need rubber for armed forces

We do have substantial stocks of crude rubber and tires in the country but no one knows over how long a period we will have to spread the consumption of these stocks. In the meantime we will be needing large amounts of rubber for the manufacture of tires and many other products for the armed forces.

The Government moved to meet this situation last night by imposing a temporary ban on sales of new tires and tubes as well as placing certain restrictions on the processing of crude rubber. No limitation was placed on the sale of used or retreaded tires.

Stop scare buying, hoarding

The ban on new tire and tube sales is designed to stop scare buying and hoarding. Every tire dealer must refrain from selling new tires or tubes during this limited period or face severe penalties. Meanwhile, details of the rationing plan covering the distribution of tires and

tubes are being perfected. Mr. Henderson warned that dealers violating the present ban on sales would not fare well under the rationing plan.

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RUBBER EXPORTS STOPPED

The Economic Defense Board, Office of Export Control, on December 11 advised collectors of customs at all ports of entry not to clear, until further notice, the exportation of rubber tires or tubes of any kind, crude rubber, or crepe rubber. These commodities may not be shipped to any destination whatever, unless consigned to the military or naval forces of the United States Government, or the shipment is to be made under provisions of the Lease-Lend Act.

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Ceilings set on Douglas fir "peeler" logs

Specific maximum prices, effective December 20, are established for Douglas fir "peeler" logs, from which plywood is made, in a new price schedule announced December 13 by OPA Administrator Henderson.

Originally in Schedule 13

Originally, Douglas fir "peeler" logs were included in Price Schedule No. 13, which put a ceiling over prices for plywood made of Douglas fir. That schedule stipulated that "peeler" log prices should not exceed the levels which prevailed on or about May 1, 1941. A subsequent amendment based the prices on those prevailing from January 1 through August 1, 1941, and it was stated that a schedule of specific maximum prices would be drafted for "peeler" logs.

The new schedule, No. 54, sets maximum log prices for four districts: Puget Sound, Gray's Harbor, Columbia River, and the Willamette Valley. Actual grades and prices are stipulated for the first three districts, while in the case of the Willamette Valley district a method of computing the allowable maximum is given.

News for Consumers

Retreading Tires

In view of the current prohibition on new auto tire sales announced by the Office of Production Management last week, the Consumer Division of OPA is calling the attention of motorists to the possibilities of treading old tires. For many years motorists who wouldn't think of throwing away a pair of shoes just because of a hole in the sole, have discarded their tires when the tread was worn smooth.

This practice, however, wastes the good rubber left in the unworn part of the tire. Since the war in the Pacific jeopardizes further rubber importations, this wasteful practice should be eliminated as far as possible.

Recapping tires saves about six pounds of rubber per tire. With this practice extensively increased next year, OPA estimates that the Nation's autos can be kept rolling on rubber and thousands of tons of rubber will be saved for defense uses.

The cost of treading a passenger-car tire runs 40 to 50 percent of the cost of a new tire, and gives the motorist 75 to 80 percent of new tire mileage.

Most worn tires may be recapped unless the sidewalls are deeply cut or fissured. The Consumer Division suggests that the car owner be careful in selecting a treading concern. The cheapest job may be most expensive, if the tire does not hold up. Tire treaders who do work for commercial concerns that operate fleets of trucks are apt to be experts.

These three points must be considered before reconditioning of the tire is undertaken:

1. Tires should be removed for reconditioning when the original tread is beginning to disappear.

2. The tire should be examined by the skilled treader for these factors: He will examine the beads, which hold the tire on the rim, to see that the reinforcing wire strands have not chafed through the fabric. He will see if the inside casing is free from cuts, nail holes or fissures. He will disregard cuts on the outer surface tread if they have not gone through the fabric beyond two plies, and he will examine the carcass to be sure that the tread has not become separated from the carcass of the tire.

3. The process known as recapping or top capping in treading a tire is preferable to the process where the old tire is cut down below the breaker strip and new rubber added down over the shoulders of a tire. The latter process takes more rubber. It also makes the tire more susceptible to blow-outs. Regrooving, which consists of cutting a tread in smoothly worn tires should not be used. It wastes part of the rubber and makes the tire unsuitable for recapping.

Retreaded tires are not affected by the OPM order prohibiting tire sales. The Office of Price Administration recently recognized the importance of the treading industry when it requested manufacturers of "camelback," the rubber used for treading old tires, to refrain from further price increases of their product. Leon Henderson, OPA administrator, announced that recent price increases were under investigation, pointing out that tire-treading volume will expand substantially under the rubber conservation program, and that in consequence, "public dependence upon camelback during the emergency will be very great."

Gasoline

The Consumer Division of the Office of Price Administration last week branded as exaggerated and misleading the recently circulated contention that reduction of the octane rating of regular gasoline from 75 to 70 would reduce gasoline mileage by as much as 10 percent.

Engineering consultants of the division termed particularly absurd the statements that such an octane reduction would for the country as a whole increase gasoline consumption by 5 percent.

The estimates of the industry that a reduction of regular gasoline from 75 to 70 would cost \$250,000,000, should be turned around, engineers of the Consumer Division report. Motorists are now wasting millions of dollars every year in burning higher-grade gasolines than are required by their cars.

They point out that octane ratings for most regular gasolines were increased from 70 to 75 within only the last 3 years. Only a few of the latest models require a gasoline with an octane rating as high as 75.

In a very few cases a simple and inexpensive change in ignition timing would be required to eliminate objectionable knocking on octane 70 fuel. If this adjustment is correctly made, the resulting loss of power and economy would be too small to be detected by the drivers of these cars.

Most cars will operate as efficiently on fuels with a 70 octane rating as they do on higher octane fuels. Many late model cars can operate without undesirable knocking on gasolines with an octane rating as low as 65.

Third-grade gasolines with an octane rating as low as 60 are quite satisfactory for older cars, and for several of the latest models.

Gasoline with an octane rating higher than needed by the car will not give added power or improve car performance in any respect, engineers state.

Our tanks and military planes will require large quantities of gasoline with high octane ratings. This means that there will be a heavy war demand for high-grade gasoline and the tetraethyl lead used to increase octane, or anti-knock quality, in gasoline.

In addition two materials, chlorine and lead, used in the manufacture of tetraethyl lead are scarce, being in wide demand for essential military and other defense uses.

Motorists may help relieve the pressure on tetraethyl supplies by avoiding the use of gasoline with octane ratings higher than necessary, the Consumer Division points out.

A slight amount of "pinging" on rapid acceleration or under heavy loads on hills is not harmful to a car, division engineers comment. In fact, auto mechanics often listen for a slight pinging to indicate that the spark is adjusted to give maximum gas mileage.

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Georgia schools use "War Against Waste" outline

Two hundred high schools in the State of Georgia have now received the "War Against Waste" outline lesson prepared by the staff of the Consumer Division.

Copies of the outline were distributed to high schools throughout the State on the request of Dr. M. D. Collins, State Superintendent of Schools.

The outline lesson, which will be used in civics classes, contains a study program for classroom work, and a skit dramatizing the student's role in the campaign to save scarce materials for defense.

Grey goods transactions may omit price terms pending revision of schedule

Until such time as Price Schedule No. 11, Combed Cotton Grey Goods, is issued in revised form, transactions in the fabrics covered may be carried out without specifying price, providing the parties agree that settlement will be made in conformity to the applicable prices contained in the revised schedule, OPA Administrator Henderson announced December 10.

This ruling takes the form of a limited amendment allowing such transactions to be made prior to January 1, 1942. Purpose of the amendment is to enable converters and finishers preparing for their spring season to get delivery of combed grey goods and begin operations.

The amendment also prohibits rewriting of any contracts in which a definite figure has been agreed on to a figure higher than present applicable maximum price. Included also are specific prohibitions against evasions of the schedule.

Revised schedule expected this year

It is expected that the revised schedule, which has been held up to await completion of production cost studies in the fine goods industry, will be issued before the close of this year. These studies will be used as a guide to determine the new ceiling for fine goods.

If, as presently contemplated, the new maximum prices are keyed to the price of raw cotton, the schedule will provide that memorandum contracts made under the amendment of December 10 must be priced in accordance with the 10-market spot cotton price of the business day preceding the date on which the contract was made.

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Raw wool ceilings to be established

Ceiling prices will be established for raw wool at approximately the levels that prevailed during the week ended December 6, Leon Henderson, OPA Administrator, announced December 8.

Formal schedules will be issued as soon as the necessary details can be worked out, the administrator said.

News for Retailers

Flashlights

Ceiling prices for flashlights and their bulbs and batteries, "must" items in Coastal areas threatened with air raids, were established December 9 in the first war emergency schedule to be issued by OPA Administrator Henderson.

The schedule, drafted in record time at the request of the Office of Civilian Defense, forbids manufacturers, wholesalers, jobbers, or retailers to sell flashlights or bulbs or batteries at prices above the highest prices quoted by them during the 2 months ended December 1, 1941.

Light may mean lives

In announcing his action, Mr. Henderson made the following statement:

"We are at war—war with foes that any night may dump their bombs on American Coastal cities and towns. Flashlights are urgently needed by civilian defense aids and citizens. They mean more than light—they mean lives.

"I call upon every patriotic manufacturer, distributor, and retail store handling flashlights to comply strictly with the price levels provided in the OPA emergency schedule. Failure to do so can mean but one thing—that there are persons enjoying the protection and privileges of our country who would take advantage of current conditions of extreme emergency to profiteer at the expense of their fellow Americans."

Mr. Henderson suggested that retailers, having determined the proper price level by applying the schedule's simple provisions, post their prices for flashlights, bulbs, and batteries prominently in their establishments. He urged all citizens to be alert for signs of profiteering and to report obvious cases to their local civilian defense authorities or directly to the Office of Price Administration.

Roofing

Ceiling prices established for asphalt or tarred roofing products by Price Schedule No. 45, issued December 1, were to go into effect on December 12, notwithstanding trade reports to the contrary, OPA Administrator Henderson announced December 6.

The maximum prices set in the schedule were from 5 to 10 percent below current levels.

"Producers who have accumulated abnormally large inventories of rags at prices which were inflated by their own speculative bidding cannot expect my office to defer action on roofing prices in order to protect them from inventory losses," Mr. Henderson said. "The roofing price schedule will go into effect on December 12."

Mr. Henderson declared that a thorough study of roofing prices and costs by his office, as well as a series of conferences with members of the industry, preceded determination of the roofing price maximums.

"One of the leading units in the trade, which has requested deferment of the schedule, had the largest earnings in its recent history during September and netted approximately 14 percent on over-all invested capital on operations as a whole during the first 6 months of 1941," Mr. Henderson said. "In fact, the first half net income of this producer was about equal to its earnings for the entire year 1940. Earnings of the asphalt roofing industry as a whole are at high levels."

Leather

Should it become necessary to set maximum prices for leather, they will be based upon the established ceiling for domestic hides, kips and calfskins and not upon prices prevailing at the time for imported hides and skins, OPA Administrator Henderson announced December 9.

"If tanners are willing to buy foreign hides at higher prices than those at which domestic hides are selling under the ceiling, leather prices must be too high," Mr. Henderson stated. "I still hope that OPA action on the prices of leather and leather products will not be necessary. However, it is quite clear that increased raw material costs arising from the use of foreign hides purchased at substantial premiums over domestic hide prices will generate pressure for advances in prices of leather and leather products. Further advances in the prices paid for imported hides is almost certain to result in action on leather prices by this office."

In making this statement, Mr. Henderson added he was fully aware that an allowance for differences in quantity and quality of leather that various hides yield must be considered in any comparison of hide prices.

Iron and steel scrap buyers, sellers at meeting satisfied with price schedule

Satisfaction with the present general level of iron and steel scrap prices as established by Price Schedule No. 4 has been expressed by representatives of both buyers and sellers of scrap at a series of meetings with the Office of Price Administration, OPA Administrator Henderson announced December 8.

Four meetings have been held thus far and a fifth was scheduled for Thursday, December 11.

Matters under discussion

Among the matters under discussion are: the possibility of higher railroad freight rates; problems of allocation resulting from the OPM scrap priority order; simplification of a few features of the grade structure; and methods to direct the flow of various types of scrap

into the most suitable consuming channels.

Consideration is being given to establishment of foundry steel grades because at present little or no scrap rail is available for foundry use.

Abuses threaten operation

Industry representatives brought to the attention of OPA several abuses that threaten to disturb operation of the schedule. These include: "trading" of prime and second grade steel products for scrap; reciprocal purchase agreements; tying arrangements; and certain forms of bypassing of customary dealer-broker-consumer relationships. These are definite evasions of the schedule, and OPA officials indicated that action will be taken against those responsible.

Two large scrap dealers named as "persistent" violators of price ceiling

Two of the largest iron and steel scrap dealers in the Middle West, Capital Iron & Metal Co. and Pioneer Iron & Metal Co., both of Oklahoma City, Okla., were cited publicly December 6 by OPA Administrator Henderson as "frequent and persistent" violators of the OPA iron and steel scrap maximum price schedule.

First instance of public exposure

The Office of Price Administration is citing the full details of the violations proven against these two firms to the Office of Production Management, to other Federal agencies, and to the authorities in several States and municipalities. Further steps to bring about compliance will be taken by OPA as well.

"I regret that these steps are necessary at a time when we are enjoying a very large measure of cooperation from both sellers and consumers of scrap," Mr. Henderson said. "The number of people in any industry who choose to exploit the defense program by deliberate profiteering is very small. But those who do are a menace not only to the public welfare but to loyal members of the industry whom they outbid for supplies. Public exposure of such profiteers is the only fair course.

"Scrap is a vital raw material in the production of steel, which we must have in vast quantities for defense. To profiteer in scrap in the present emergency

is to strike directly at the general welfare."

This is the first instance that OPA has given full publicity to violators of its steel scrap price schedule.

Capital Iron & Metal Co. and Pioneer Iron & Metal Co. are partnerships with Ralph Finkelstein and Reuben Finkelstein as members. Both firms are affiliated with Capital Compressed Steel Co., of Tulsa, Okla., and Springfield, Mo., and the Utah Compressed Steel Co., of Salt Lake City.

The violations of the iron and steel scrap schedule referred to by Mr. Henderson were uncovered by an OPA field investigator. The partners were invited to Washington to explain the transactions. They did not come in person, but were represented by an attorney and an auditor through whom they admitted the violations. They refused to make restitution or to agree to comply with the schedule.

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Scrap and secondary lead to be put under ceiling

OPA Administrator Henderson announced December 13 that a price schedule establishing ceiling prices on lead scrap and secondary lead at levels below those now prevailing would be established by OPA within two weeks.

Present prices of 3 ferroalloys, essential to steel, to continue through first quarter of 1942

Present prices for three essential elements in the production of steel—ferromanganese, ferrosilicon, and silico-manganese—will continue unchanged through the first quarter of 1942, OPA Administrator Henderson announced December 12.

Major producers agree

Queried by Mr. Henderson, all of the major producers of ferromanganese indicated they did not intend to advance current prices for the initial 3 months of 1942, while producers of ferrosilicon and silico-manganese have entered into individual agreements with OPA to continue to sell at present levels.

Ferromanganese and ferrosilicon are basic materials without which production of steel by modern methods would be impossible. Silico-manganese is more of a specialty alloy.

Almost no change since July 1, 1940

There has been no change in the prices of these three ferroalloys since July 1, 1940, excepting in the case of one relatively small high-cost producer of ferromanganese, located in the South, which has been charging \$25 a ton above the general market level of \$120 a ton, Atlantic seaboard. This producer has been asked by OPA to reduce its price to \$135 a ton, f. o. b. furnace.

Price involved in the individual agreements with ferrosilicon producers is \$74.50 a gross ton in carload lots, with freight allowance to St. Louis, for the 50 percent grade, which represents the largest tonnage production.

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Action forecast on prices of scrap and secondary lead

Action to establish control over the prices of scrap and secondary lead will be taken shortly by the Office of Price Administration, Administrator Henderson announced December 11.

About 90 secondary lead smelters and scrap dealers were invited to meet with OPA officials in Washington December 15, to discuss the price situation. The invited group was representative of a geographical cross-section of the industry.

Narrowing of differential between crude oil prices permitted in Texas area

Purchasers of North and North Central Texas crude oil are being given permission to narrow the differential between prices paid for oil produced in those areas and oil produced in Oklahoma fields from the present spread of 7 cents a barrel to 4 cents a barrel, OPA Administrator Henderson announced December 11.

At present the price posted for 40 and above gravity crude oil in North and North Central Texas is \$1.18 a barrel while the posted price in Oklahoma for similar gravity crude is \$1.25 a barrel. As the result of the new ruling the posted price for North and North Central Texas oil of this gravity can be raised to \$1.21.

The change applies to the following counties or portions thereof where the differential has previously been 7 cents under Oklahoma prices: Archer, Baylor, Brown, Callahan, Clay, Coleman, Cooke, Eastland, Foard, Jack, Montague, Palo Pinto, Shackelford, Stephens, Wichita, Wilbarger, and Young.

Action followed study

This action was taken after a study of transportation costs and other factors affecting marketing of crude oil and products from the two areas. In recent years the volume of production in North and North Central Texas has increased to the point where a substantial volume of crude oil from those areas is moving both northward and southward to distant refineries. Formerly crude oil produced in those areas was largely refined locally. Concurrent with this change in conditions, there has been a relative decline in Oklahoma crude oil production while demand has been increasing for products and crude oil from both of these areas. A narrowing of the existing price differential takes cognizance of these developments in the relative positions of Oklahoma and North and North Central Texas.

The action follows voluntary withdrawal on November 11, by three large purchasers of North and North Central Texas crude of a move to eliminate the differential completely.

Action in the current case should not be construed as indicative of OPA policy on the general crude oil price question now the subject of an independent study covering the entire United States, Mr. Henderson stated.

Tariff Commission to study crude oil production costs in U. S. at request of OPA

A comprehensive study of crude oil production costs throughout the United States is being undertaken by the Tariff Commission at the request of the Office of Price Administration, it was announced jointly December 7 by Raymond B. Stevens, chairman of the Commission, and OPA Administrator Henderson.

Expansion of Mid-Continent study

The study is an expansion of the investigation of Mid-Continent crude oil production costs announced recently. Field work and subsequent compilation of the data will be done by the Tariff Commission which has conducted a similar study of the industry in the past. Staffs of the Petroleum Coordinator's Office and the OPA will cooperate with the Tariff Commission staff in making the study. Data collected will be used by OPA in formulating price policies on crude petroleum.

Questionnaires were sent December 7 to approximately 10,000 crude oil producers in the United States, accounting for an estimated 95 percent of crude oil

production. By far the bulk of those receiving the request for data will be small independent producers.

Trying to reach every producer

An endeavor is being made to send questionnaires to every producer in the United States wishing to submit data. If anyone should be omitted, it is requested he obtain forms from either his local association or by writing the Tariff Commission at Washington, D. C. It is hoped that all the smaller producers will return the questionnaires promptly as, among other matters, a study will be made as between large and small producers and flush and stripper wells.

Material asked for includes information on costs entering into the production of crude oil and the discovery of new crude oil reserves, engineering and oil reserve data, and earnings data.

The questionnaires are to be completed and returned not later than January 31, 1942. It is hoped, however, that much of the data will be submitted before that date in order to complete the study as rapidly as possible.

Aviation gasoline refiners meet to speed production

Refiners of 100-octane aviation gasoline and their technical experts from all parts of the United States met December 11 at the Office of the Petroleum Coordinator for National Defense to speed production of greatly increased amounts of this super fuel for the Nation's fighting planes.

Out of the all-day session, the refiners and the Petroleum Coordinator were to evolve a program for maximum production with present facilities, and for the swiftest possible completion of new plants.

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OPA asks suspension of quotations on three solvents

Producers of industrial alcohol, butanol, and acetone, essential industrial solvents now covered by OPA ceilings, were asked by Price Administrator Leon Henderson December 11 to refrain from quoting prices for delivery after January 1, 1942, until further word from his office.

Questions on nonferrous scrap to be answered in Chicago

Answers to questions most frequently asked concerning the nonferrous scrap schedules issued by OPA will be given by OPA officials at a meeting with nonferrous scrap dealers and consumers in Chicago, December 17.

This was announced by John C. Weigel, director of the OPA Chicago regional office, who invited attendance by all scrap dealers and consumers in the Chicago area who are affected by OPA price schedules covering aluminum scrap, brass mill scrap, copper scrap, and nickel scrap.

Questions necessarily limited

The meeting, which will be held in the Civic Theatre, 20 N. Wacker Drive, will convene at 2 p. m., C. S. T. Because time will be limited, questions from the floor, while welcome, necessarily must be confined to the phases of the scrap schedules selected for discussion, Mr. Weigel said.

Price ceilings established for old rags, used in roofing, linoleum manufacture

Ceiling prices below prevailing levels are established for old rags, basic raw material in the manufacture of roofing, linoleum, and certain grades of paper, in Price Schedule No. 47 issued December 9 by OPA Administrator Henderson.

Maximum prices established in the schedule cover between 80 percent and 90 percent of the various grades of old rags. In the case of No. 2 roofing rags, a base grade, the schedule sets a top price of \$29 a ton for carload lots, f. o. b. point of shipment, compared with current market quotations of \$34 to \$35 a ton. The usual differential of \$2 a ton above and below the base grade is applied to prices of various other grades of roofing rags.

Ten grades of old rags used to make certain grades of paper are assigned maximum prices in the schedule, ranging from \$29 a ton to \$76 a ton for carload lots, f. o. b. point of shipment.

Allowances provided for brokers

Prices for less-than-carload lots in all cases must not exceed the established prices less 4 percent. Unless completed within 7 days, delivery of a carload lot by a series of truck shipments cannot command the carload lot prices established in the schedule.

Allowances are provided for brokers in old rags. Such an allowance, it is stipulated, may not exceed the lesser of the following: (1) The regular allowance customarily charged during the 12 months ended October 1, 1941, or (2) \$1 a ton on grades selling at \$31 a ton; \$1.50 a ton on grades selling between \$31.01 and \$53 a ton; and \$2 a ton on grades selling between \$53.01 and \$76 a ton. A "broker" is defined in the schedule as a person who has been engaged in the business of brokering or jobbing of rags between October 1, 1940, and October 1, 1941.

The schedule lists a number of requirements which must be fulfilled in order that a person may be entitled to receive a brokerage allowance. These provisions should be carefully studied, Mr. Henderson said, since OPA will insist upon their strict observance.

"New cuttings," i. e., cotton scraps accumulated in garment factories, etc., are not covered by the old rags schedule. However, it was stated, the prices of these cuttings, which are used exclusively by paper mills, are being watched closely. If any inflationary price tendencies develop, OPA will move promptly to establish a ceiling, Mr. Henderson said.

Rayon jobbers and converters asked for price lists as excess premiums are reported

Reported resales of rayon yarn at premiums 20 cents a pound and more above the 4-cent mark-up approved by OPA brought from Administrator Henderson December 10 a request that leading yarn jobbers and converters file complete price lists with his office and a warning that OPA was prepared to take corrective measures.

Not under formal ceiling

Rayon yarn is not under a formal ceiling, but on October 28 Mr. Henderson issued a list of prices that his office considers the maximums that should be charged by producers of acetate, cuprammonium, and viscose process yarns. This list, which was based on the prices that generally prevailed as of October 5, specifically stated that resales of first quality yarns should not be made at more than 4 cents a pound above producers' prices and, further, that inferior yarns should not be resold above producers' list prices for first quality yarns.

Types of excesses listed

Mr. Henderson listed three types of excessive pricing that have come to the attention of his office:

1. Resales of unconverted yarns at premiums of from 25 to 27 cents a pound above producers' prices. These premiums, he said, are being charged by jobbers and weavers.
2. Resales by weavers at excessive prices of yarns acquired through allocation under the OPM silk substitution program.
3. Sales by converters at prices based on unwarranted conversion processes on reflecting conversion charges far above those generally prevailing prior to October 5.

Letters being sent to leading yarn jobbers and converters request the filing of complete and detailed price lists for both converted and unconverted yarns as of November 1 and of December 1.

After listing the three types of complaints given above, the letter adds: "The continuance of these practices will of necessity bring about definite action by this office, since this situation is having a disturbing effect on the whole rayon market."

OPA regional office opened in New York

Opening of a New York City regional office with Sylvan Joseph as regional director was announced December 10 by OPA Administrator Henderson.

Mr. Joseph spent a number of years in the banking, brokerage and investment business in New York City. Since April 1, 1941, he has served as a special assistant to Mr. Henderson.

Staff of the New York office, which will be located in the Chanin Building, will include A. H. Larzelare, acting executive officer; E. S. Ferguson, regional inspector; Carlton Endemon, acting regional attorney; John Chamberlin, acting price attorney; John Barry, acting enforcement attorney; and Ruth Ayers, consumer representative.

Work of the office will consist largely of investigations, inspections, and compliance problems referred from Washington, and to answering of queries.

Adams succeeds Whiteside at head of iron, steel branch

Charles E. Adams, of New York City, chairman of Air Reduction Co. Inc., and the United States Industrial Alcohol Co., on December 11 assumed charge of the OPM iron and steel branch, it was announced by Director General Knudsen.

Mr. Adams first joined the defense program on June 10, 1940, as senior administrative assistant to E. R. Stettinius, Jr., on the National Defense Advisory Commission. Because of the pressure of private business he resigned from the OPM staff on March 15, 1941, and since has been alternate employer representative on the National Defense Mediation Board. Mr. Adams is expected to make his organization announcements shortly. He replaces Arthur D. Whiteside, president of Dun & Bradstreet, who resigned some months ago but who stayed on during the interim pending the appointment of Mr. Adams.

Henderson asks mayors' aid in campaign to save waste paper

Mayors in 20,000 cities throughout the United States are asked to contribute their efforts to the current national waste paper conservation campaign in letters sent out December 10 by OPA Administrator Henderson.

The letter calls attention to estimates that about 75 percent of the paper produced in the United States is destroyed by burning and urges the mayors to make sure that all municipal buildings and institutions immediately stop this practice.

Suggestions to mayors

Other suggestions offered to mayors in the letter are:

Get Chambers of Commerce behind the conservation program.

Impress upon factories and business establishments in each community the importance of conserving waste paper.

Devote press conferences and radio talks to urging householders either to sell or to give away their waste paper, and in all events to stop burning it.

Get waste paper dealers and charitable organizations in each territory to put on greater collection drives.

Mr. Henderson's letter was a further step in OPA's policy to aid in every way possible the conservation campaign begun some time ago by the waste paper consuming industries.

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"Open before Christmas," give wrappers for victory

Ignore "Not To Be Opened Until Christmas" stickers this year and contribute your gift boxes and wrappings to the national waste paper collection campaign.

This message was addressed to every American household December 11 by OPA Administrator Henderson. "Millions of boxes are now out of circulation as result of our national custom of concealing the nature of gifts until Christmas eve or morning," Mr. Henderson said. "Laudable as this sentiment is in peacetime, we are now at war and cannot afford to cut down the flow of waste materials to reprocessing plants. Used paper and cardboard cartons and boxes are the 'raw material' from which paperboard is made. And paperboard is in great demand to package war materials of all kinds.

"Don't be a bottleneck—get those gift boxes and their wrappings into the hands of your local wastepaper collecting agent for productive use."

19 manufacturers, jobbers agree to accept ceilings on barrel staves and headings

Substantial reductions in the price of the two most important parts of common barrels have resulted from an industry meeting held by the Office of Price Administration at New Orleans, December 6, Administrator Henderson announced December 11.

The "slack" or non-liquid-tight barrels affected by the action are widely used to pack and ship powdered chemicals and a variety of food products, including dried eggs and meats.

Pledge to abide by ceiling

Nineteen manufacturers and jobbers attending the New Orleans meeting pledged individually that they would abide by price reductions up to 2 dollars per thousand in the price of knifed hardwood slack staves, and up to 4 cents per set of pine slack headings larger than 12½ inches in diameter. The staves and headings are the most important components of the barrels.

Price schedule will be announced soon

A formal price schedule will be announced shortly, Mr. Henderson said. Meanwhile, the maximum f. o. b. mill prices voluntarily accepted by persons attending the New Orleans conference, who represented a substantial majority of the industry, are as follows:

Length	Mill run	No. 1.	No. 2.
28½"-----	\$15.50	\$17.00	\$14.00
30"-----	15.50	17.00	14.00
34"-----	19.00	20.00	-----
70"-----	-----	-----	-----

¹ 100 percent white, ¾" bilge, ash butter tub.

Allowable Additions to Maximum Prices for Staves

Kiln drying to 7 percent or less--	\$1.50
Tongue and grooved:	
28½" and 30"-----	2.00
34"-----	2.50

Pine Heading

[SIS to standard ½" thickness]

[Price per set]

Size	Mill run	No. 1	No. 2
	Cents	Cents	Cents
12½" to 13½" inc.-----	9	10	8
14" to 14½" inc.-----	10½	11½	10½
15" to 15½" inc.-----	11½	12½	10½
16" to 16½" inc.-----	12	13	11
17" to 17½" inc.-----	13½	14½	12½
18" to 18½" inc.-----	14½	15½	13½
18½" to 19½" inc.-----	15	16	14
19½"-----	16	17	15
19½" to 20" inc.-----	17½	18½	16½
20½" to 21" inc.-----	20½	21½	19½
21½" to 23" inc.-----	22½	23½	21½
23½" to 24" inc.-----	30	31	29

Allowable Additions to Maximum Prices for Heading

	Per set
S2S-----	1 cent
Extra thickness:	Percent
5/8"-----	20
¾"-----	50
7/8"-----	100

Tongue and grooved and glued	Sizes	Straight jointed and glued
Cents		Cents
2	12½" to 16" inc.-----	1½
2½	Over 16" to 18" inc.-----	2
3	Over 18" to 20" inc.-----	2½
3½	Over 20" to 22" inc.-----	3
4½	Over 22" to 24" inc.-----	4

OPA appoints two to machinery section

Two appointments to the machinery section of OPA were announced December 11 by J. K. Galbraith, assistant administrator.

Thomas P. Nickell, general manager of the LeRoy Plow Co., LeRoy, N. Y., will serve as a senior specialist in the farm equipment unit. He has held a variety of executive positions in a number of companies.

Mark B. Lewis, independent dealer in used equipment, has been named a senior specialist in the general and auxiliary machinery unit.

Price rises in Sitka spruce discussed at Oregon meeting

Producers of Sitka spruce, used extensively in training planes, were invited to meet in Portland, Oreg., with officials of the Office of Price Administration on December 12 to discuss prices, Administrator Henderson announced December 10.

Virtually all of the Sitka spruce used in the United States comes from Oregon and Washington. Prices have risen sharply as a result of demands for a great number of light planes for primary training of military pilots.

MEDIATION BOARD . . .

Majority of cases now settled without losing single hour of production—Davis

William H. Davis, chairman of the National Defense Mediation Board, this week released a chart showing, he said, how the Board in 8½ months has established a voluntary "cooling-off" period while disputes are being mediated.

The chart shows in pictograph form the monthly average number of men on strike and at work while their cases were pending before the Board. Each figure represents 25,000 employees. The chart shows that the percentage of men at work in pending cases mounts from zero in March to 100 percent in the first 2 weeks of December.

Immediate return to work

"We have reached a point," Mr. Davis said, "where management and labor readily agree to an immediate return to work as soon as a strike is certified to the Board. What is more important, however, is that we are getting cases before a strike and we are now settling the majority of controversies without the loss of a single hour of production."

The statistics from which the chart was drawn are as follows:

Month	Workers in pending cases ¹	On strike in pending cases ¹	At work in pending cases ¹	Percentage at work
March.....	17,825	17,825	0	0
April.....	161,634	106,909	54,725	34
May.....	615,092	13,234	601,858	98
June.....	503,892	8,000	495,892	98
July.....	76,016	1,553	74,463	98
August.....	93,197	11,495	81,902	88
September.....	141,970	13,567	128,403	90
October.....	177,425	16,668	160,757	91
November.....	216,230	14,195	201,935	94
December.....	350,753	0	350,753	100

¹ Average number for the month.
First 2 weeks.

As of December 15, a total of 109 cases had been certified to the Board, involving a total of 1,189,857 men. Of these, 80 cases, involving 852,347 men, have been settled. All 337,528 men involved in the 29 cases still pending are at work.

The National Defense Mediation Board last week (December 8-14) still had a calendar completely free of strikes, making the third consecutive week with no work stoppages. One new certification was made during the week.

The subcommittee appointed December 5 to assemble data for the arbitration award in the dispute between the Central States Employers Negotiating Committee and the International Brotherhood of Teamsters, AFL, met all last week for this purpose. The committee has representatives of both parties on it and Mr. Ralph Seward, public member, represents the Board. Hearings will resume Monday, December 15, for 2 days, after which the decision will be

issued. The Board's award will affect 225,000 over-the-road drivers in 12 Midwestern States.

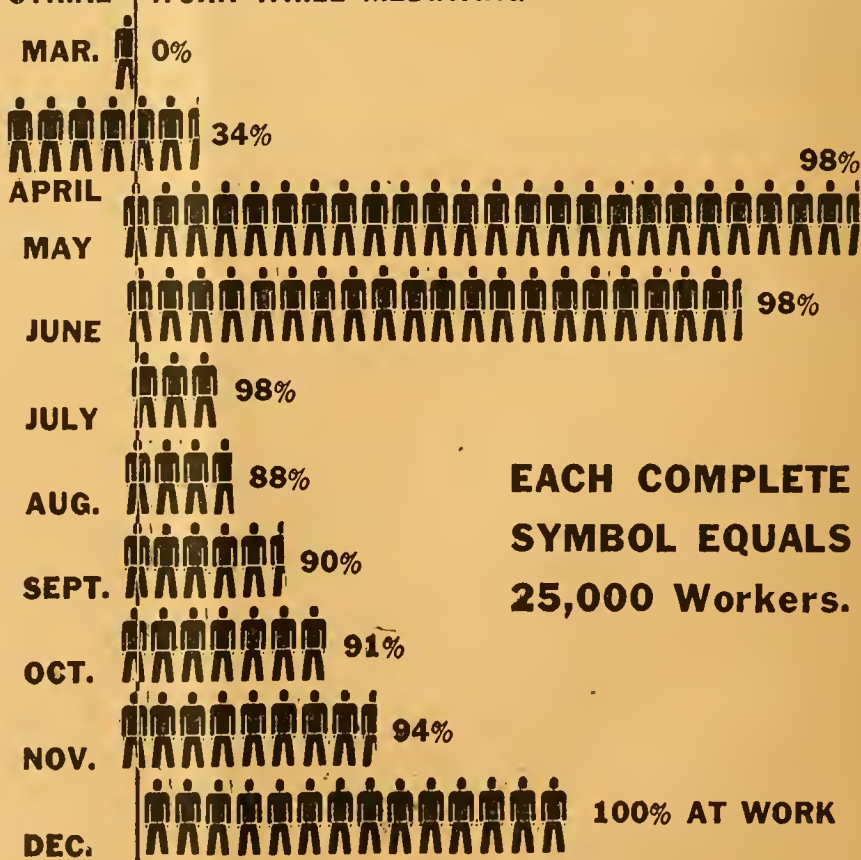
Burgess Battery Company

In accordance with the interim recommendations issued earlier in the month in the Burgess Battery Company controversy with the International Association of Machinists, AFL, Mr. Robert J. Myers was appointed to investigate the wage rates question. Mr. Myers is chief of the wage division of the Bureau of Labor Statistics, United States Department of Labor. He is scheduled to open his investigation at the company's Free-

"COOLING OFF" IN DEFENSE MEDIATION BOARD CASES

ON
STRIKE

AT
WORK WHILE MEDIATING



**EACH COMPLETE
SYMBOL EQUALS
25,000 Workers.**

Daily average per month, estimated by Board

port, Illinois, plant on December 15. Further action in the case will await submission of his report to the Board.

Waterfront Employers Association

Professor Donald H. MacKenzie of the University of Washington in Seattle was appointed last week to investigate the wage dispute involving the Waterfront Employers Association of the Pacific Coast and the International Longshoremen's Association, AFL. Interim recommendations made in late November provided for the negotiation of a complete contract with the exception of wage provisions, which were to be settled by arbitration by the Board. Professor MacKenzie will submit his report to the Board and the arbitration award will then be made. A total of 1,065 longshoremen in three Puget Sound ports are involved.

Bell Aircraft Corporation

The dispute between the Bell Aircraft Corporation, Buffalo, New York, and the United Automobile Workers of America, CIO, was settled December 11 by an arbitration award which grants substantial wage increases to the 12,000 workers who had threatened a strike over the issue. The dispute had been certified to the Mediation Board in October and hearings had been held in November, but the withdrawal of all CIO members and alternates from the Board had made it necessary to postpone hearings. At the Board's suggestion direct negotiations were entered into by the company and the union with the assistance of a Conciliation Commissioner.

New Cases

One new case was certified to the Board last week involving the Anaconda Copper Mining Co., of Butte, Mont., and the International Brotherhood of Electrical Workers, AFL.

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LAKE ORE MOVEMENT

The all-time record for ore transportation on the Great Lakes was exceeded by nearly 15 million tons during the past season.

This was announced by OEM Transportation Commissioner Ralph Budd, as the last ore boat of the season left Duluth.

The total for the 1941 season is 80,-111,745 gross tons of ore.

The previous record for all commodities, 142,000,000 tons, was exceeded by 25,000,000 tons, rising to 167,000,000 tons.

LABOR . . .

7 days, 3 shifts for U. S. copper, zinc, and lead mines advocated by CIO union

A program of 7-day, 3-shift operation of the Nation's copper, zinc, and lead-mining capacity has been recommended by the War Production Committee of the International Union of Mine, Mill & Smelter Workers, CIO, to the Labor Division of the OPM. Sidney Hillman, Associate Director General, announced December 11 that this program will be referred to the Supply Priorities and Allocations Board for action.

Labor Division to transmit copper report

Along with the union's report, the OPM Labor Division will transmit a report of its own study of the copper industry, making recommendations for expanding output from the Nation's copper mines.

Important points in the union's program include:

1. Seven-day, 3-shift operations.
2. Improved ventilation.
3. Abolition of modification of the contract system of wage payments.
4. More efficient "servicing" of miners with

tools, haulage, and hoisting facilities.

5. "Up-grading" of skills, greater specialization of tasks, training of new miners on the job, and a complete survey of the available mining labor supply.

6. Increases in wage rates where necessary to attract workers from less hazardous and less essential occupations.

7. Provisions of adequate housing in mining camps.

8. The establishment of local union-management production committees to work out at each mine, mill, smelter, refinery, and primary fabricating plant the details of wage adjustments, labor management, working conditions, and the handling of grievances.

9. Provision by the OPM of engineering and other consultants to assist local production committees in expanding non-ferrous metals production.

10. The establishment of a national industry-wide committee of Government, industry, and labor officials to coordinate the work of the local committees, make over-all surveys of production capacity, and study the possibilities of bringing idle mine capacity into operation.

Other sections of the union's report deal with problems of price determination, subsidies, fabrication, and priorities unemployment.

Hillman's message to American workers

The following message to American workers was issued December 9 by Sidney Hillman, OPM Associate Director General:

War is upon us.

Our armed forces are already engaged at sea and in the air, waging war with courage and faith in the cause of freedom—as well as with guns and ships and planes.

Labor must meet the challenge with similar courage and faith, and by supplying more guns and more ships and more planes in a steady, ever-increasing flow until the war is won.

Already the guns you have made and the planes you have built and the ships you have launched are blasting the foe, in defense of our shores.

Our victory depends on greater and yet greater production from the workshops of democracy.

Today our soldiers, sailors, airmen, and industrial workers share the front line of battle. Our fighting forces rely upon your skill and your energy for the implements of war. The workers of this Nation will prove that free Americans can outproduce, as they can outfight, any combination of slave peoples.

Ours is a sacred task to which we must consecrate mind and heart and hand. We will have to do the best possible job—on the assembly line, in the pit, at the throttle.

No obstacles must be allowed to interfere with our war effort.

We will face hardships and make sacrifices.

This is war—a people's war—a war of the common man against old tyrannies and new barbarisms.

Labor is more united than ever before in this great war undertaking. All labor has pledged its fullest cooperation and participation.

Ours is a labor movement unswerving in its devotion to the aims of freedom and in its determination to keep America strong and free.

Joined in this high purpose, labor can help not only to crush the Axis aggressors, but also to build a new world of peace and security.

The time is now.

Democracy's destiny is in the balance.

Labor will never fail the cause of freedom.

HOUSING . . .

Privately financed homes to get ratings for materials if foundations are already laid

A broad plan to make materials available for completion of privately financed dwellings for which foundations were in place on October 9 will be put into effect shortly, Civilian Supply Director Henderson announced December 11.

A-10 rating to be available

A formal order carrying out the program, to be known as Preference Rating Order P-71, was expected to be issued shortly by Priorities Director Nelson. Mr. Henderson said that application forms and other documents necessary to obtain priorities assistance will *not be available before December 22*. Accordingly, applications *will not be received* until that time.

The program covers private dwelling units which cannot qualify for assistance under the Defense Housing Plan—Preference Rating Order P-55.

An A-10 preference rating will be made available for materials necessary to complete homes and apartment buildings now under construction. Assistance will be given only if foundations were completed as of October 9, the date the Supply Priorities and Allocations Board announced its general construction policy.

70,000 believed to be covered

Officials of the Division of Civilian Supply, who drafted the order, estimated that approximately 70,000 private dwelling units now under construction are in the classification covered. On an overall average, these buildings can be considered half completed. Therefore, in making an estimate, the order is designated to make available the equivalent materials for 35,000 completed houses.

The A-10 preference rating may be applied only to materials on the Defense Housing critical list issued in connection with Preference Rating Order P-55.

To obtain this rating, a builder must fill out an application form and file it at a field office of the Federal Housing Administration, which will review it and send it to a field office of the Priorities Division of OPM. The Priorities district manager will be authorized to approve or disapprove the application.

Machinery will be provided for review in cases where there is disagreement.

In applying for a rating, a builder must certify the date on which the foundation was completed and must also certify the following:

That the materials purchased are necessary to complete construction, that this material is not available without a rating, that no practical substitute or alternative source of supply is available, and that materials on the critical list will be used only in the quantities and for the purposes called for in the building specifications.

In making application forms available by December 22, it is expected that persons desiring assistance will be required to file them with the FHA field offices not later than January 31, 1942.

Detailed instructions, including a statement of procedure, will accompany copies of the application forms.

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77,871 defense housing units aided by preference orders

The Priorities Division announced today that 5,270 preference rating orders, covering delivery materials for the construction of 77,871 defense housing dwelling units, were issued in the 9-week period from the announcement of the Defense Housing Plan on September 22, 1941, through November 30, 1941.

6,943 applications received

Applications totaling 6,943 for preference ratings under the plan were received during the period. Of these, 745 were disapproved, and 395 withdrawn by the applicants, or returned to them for correction.

The structures, covered by the priority ratings issued under the Defense Housing Plan, are in some 290 cities, towns, and small communities in which the spreading industrial activities of the Nation's war effort have caused overcrowding.

2,731 homes completed in week, Palmer states

Charles F. Palmer, Coordinator of Defense Housing, announced December 10 that 2,731 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending November 29, making a total of 59,312 completed or occupied.

With no homes going into construction during the week, the total of publicly financed homes now being built or completed remained 105,802.

Federal funds have already been allotted for 126,889 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,585. Since January 1941, 204,125 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 6,678.

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President determines need of 630 more defense homes

President Roosevelt determined December 10 that a need exists for 630 homes for families of industrial defense workers and enlisted personnel in five localities, upon recommendation of Charles F. Palmer, Coordinator of Defense Housing.

In addition, the President approved provision of temporary accommodations for 200 families in Dayton, Ohio.

Localities and the number of permanent homes planned for each are as follows:

Roosevelt Roads, Puerto Rico, 200; Baton Rouge, La., 40; Lubbock, Tex., 140; Hawaii, Bellows Field (Island of Oahu), 50; Shreveport-Minden, La., 200.

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ARMY NEEDS 10,000 NURSES

Greatly increased requirements of the Army Nurse Corps under wartime conditions were revealed by the War Department December 11 with announcement that more than 10,000 nurses are needed to fill existing vacancies and those anticipated in the immediate future.

Where to ask about bids on U. S. O. centers

The OPM Contract Distribution Division has issued the following release to help contractors bid on U. S. O. recreation centers:

The construction of U. S. O. recreation centers in Army posts, camps and stations is about to begin. This work is to be done under the supervision of the construction division, Office of the Quartermaster General, War Department.

Inquiries from building contractors should be directed to the office of the Zone Constructing Quartermaster nearest the building contractor's main office.

ZONE CONSTRUCTING QUARTERMASTERS

Zone I.—Headquarters, Lt. Col. Shirley W. McIlwain, Army Base, Boston, Mass.; serves Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Zone II.—Headquarters, Col. M. A. McFadden, 120 Wall Street, New York, N. Y.; serves Delaware, New Jersey, New York.

Zone III.—Headquarters, Lt. Col. J. H. Burghelm, Standard Oil Building, Baltimore, Md.; serves Maryland, Pennsylvania, Virginia.

Zone IV.—Headquarters, Col. Frederick S. Strong, Jr., 494 Spring Street, N.W., Atlanta, Ga.; serves Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee.

Zone V.—Headquarters, Lt. Col. B. F. Vandervoort, 232 North High Street, Columbus, Ohio; serves Indiana, Ohio, Kentucky, West Virginia.

Zone VI.—Headquarters, Lt. Col. Everett C. Hayden, 20 North Wacker Drive, Chicago, Ill.; serves Illinois, Michigan, Wisconsin.

Zone VII.—Headquarters, Lt. Col. Ralph G. Richards, 14th and Farnam Streets, Omaha, Nebr.; serves Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wyoming.

Zone VIII.—Headquarters, Col. E. V. Dunstan, Fort Sam Houston, Tex.; serves Arizona, Colorado, New Mexico, Oklahoma, Texas.

Zone IX.—Headquarters, Col. E. M. George, 74 New Montgomery Street, San Francisco, Calif.; serves California, Idaho, Montana, Nevada, Oregon, Utah, Washington.

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Priorities district offices opened in El Paso, Tampa

The Priorities Division, OPM, announced December 14, the opening of Priorities District Offices in El Paso, Tex., and Tampa, Fla.

The El Paso office will be in room 223 of the El Paso National Bank Building, and will be under the supervision of Robert C. Stryker, district manager.

The Tampa office will be located in room 901 Wallace South Building; Theodore L. Hausmann is the district manager in charge.

Priorities to be permitted for completion of 7,042 low-cost USHA dwelling units

In a letter of intent dated December 5, 1941, addressed to United States Housing Administrator Nathan Straus, Donald M. Nelson announced the readiness of the Priorities Division to extend priority assistance to the completion of low-cost dwellings now under construction with USHA funds.

A-9 for projects more than half complete

Formal project rating orders are to be issued in favor of 26 projects in Arizona, Florida, Illinois, Massachusetts, New York, North Carolina, Rhode Island, Texas, West Virginia, and Puerto Rico, which are at least 50 percent complete. These orders will assign a preference rating of A-9 to necessary materials.

A-10 for others

Other orders, assigning a rating of A-10 to projects in Mississippi, Montana, Ohio, and Rhode Island, which are less than 50 percent complete, but which have foundations completed, will be issued.

In all, 7,042 dwelling units, representing \$28,886,000 worth of contracts will be affected by the Priorities Division order.

These projects, all of them previously approved by President Roosevelt, involved the demolition of 3,225 condemned buildings.

Letter of intent

A copy of the letter of intent follows:

DEAR MR. STRAUS: Consideration has been given to your request for priority ratings of certain USHA-aided projects appearing on your record list compiled as of November 12, 1941.

After due consideration it has been decided to grant priority ratings as specified on the projects hereinafter set forth:

1. A Project Preference Rating of A-9 to projects appearing on such list, which were at least 50 percent complete, as shown on such list, as follows (such rating shall not apply to copper sheet or pipe):

Project No.	City	State
Ariz-1-2	Phoenix	Arizona
Ariz-1-3	do	Do.
Fla-8-1	Sarasota	Florida
Illinois-7-1	Alexander County	Illinois
Ill-7-2	do	Do.
Ill-11-1	Danville	Do.
Ill-11-2	do	Do.
Ill-5-1	Granite City	Do.
Ill-9-1	Henry County	Do.
Ill-3-1R	Peoria	Do.
Ill-3-2	do	Do.
Ill-3-2A	do	Do.
Ill-4-1	Springfield	Do.

Project No.	City	State
Mass-10-1	Lawrence	Massachusetts
NY-5-7	New York City	New York
NC-6-1	High Point	North Carolina
NC-6-2	do	Do.
NC-4-2	Kinston	Do.
PR-4-1	Mayaguez	Puerto Rico
PR-3-4	Puerto Rico Hsg. Auth.	Do.
PR-3-5	do	Do.
PR-3-10R	do	Do.
RI-2-1R	Pawtucket	Rhode Island
Tex-10-1	Waco	Texas
Tex-10-2	do	Do.
WVa-3-2	Wheeling	West Virginia

2. A Project Preference Rating of A-10 to projects appearing on such lists which were less than 50 percent complete but which had foundations 100 percent complete, as shown on such list, as follows (such rating shall apply only to materials appearing on the "Defense Housing Critical List" but shall not apply to copper sheet or pipe):

Project No.	City	State
Miss-7-1	Clarksdale	Mississippi
Mont-6-1	Anaconda	Montana
Ohio-10-2	Portsmouth	Ohio
RI-1-1	Providence	Rhode Island

Can be used in negotiation

This letter is not to be construed as a formal assignment of a preference rating which may be extended, but we have no objection to its being used as a basis on which to negotiate with contractors, pending issuance of formal project rating orders. These orders will be issued at the earliest practicable date.

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15 added to defense housing critical areas

Fifteen new localities have been added to the Defense Housing Critical Areas List, it was announced December 13 by the Priorities Division.

The high priority ratings, available under the Defense Housing Plan, may now be applied to deliveries of specified building materials required to construct dwellings for workers engaged in war industries, and their families, in the following places:

Huntsville and Tuskegee, Ala.; Helena-West Helena and Pine Bluff, Ark.; Trona, Calif.; Burns City, Ind.; Sterlington-Monroe-Bastrop, La.; Chickasha and Muskogee-Choteau, Okla.; Providence-Pawtucket, R. I.; Corsicana, Mission-McAllen-Edinburg, Terrell, Uvalde, and Waco, Tex.

PURCHASES . . .

Steps taken to coordinate buying of office furniture for Government

Requirements in office furniture for the next 6 months by all Governmental departments and agencies have been reviewed at a meeting of procurement officers of all Federal agencies, sponsored by officials of OPM and Treasury Procurement, it was announced December 10. At the same time steps were taken to adapt the established methods of purchasing of Treasury Procurement to the present emergency.

Officials of the Purchasing Division and the furniture branch of OPM urged the need for coordination of purchasing by the 27 agencies represented at the meeting in the interest of prompt delivery and the need for spreading the business throughout the industry as far as possible.

Information will be centralized

Clifton E. Mack, director of Procurement of the Treasury Department, which normally acts as purchasing agency for the various departments of the Government, outlined a revised purchasing policy which will be followed during the period of the emergency to take care of greatly expanded needs.

Channelizing the purchases of office furniture through the Procurement Division of the Treasury is expected materially to ease the purchasing problems of the various agencies, since all available information, both as to requirements and supply, will be centralized at one point.

Modifications suggested

To meet the increased demands, Mr. Mack reported that the Procurement Division of the Treasury held a meeting of the wood desk manufacturers of the country on December 2 at which suggestions were received from the industry as to desirable modifications which might be made in the specifications for office desks in order to provide an article that might be made by all members of the industry and one that would conform more nearly to accepted commercial standards.

This liberalizing of specifications, in line with policies of the Contract Distribution Division of OPM, will make it possible to spread the necessary purchasing throughout the country. In ad-

dition, the Procurement Division of the Treasury proposes to modify the procedure under which needs were met solely by "open end contracts."

To permit bid on part of order

In the past one manufacturer would contract to supply the entire needs of the Government on one article for a year's time at a bid price under this form of contract. This method of procurement is no longer by itself adequate to meet a situation which demands far greater quantities than any one manufacturer or small group of manufacturers could supply.

Further steps to broaden the available sources of supply will take the form of allowing manufacturers to bid on only part of an order for a fixed quantity if they so desire. It is also proposed to provide for a moderate stock on hand to be carried in warehouses to be ready for emergency needs.

Steel product to be used in some cases

Decisions on the purchase of wood as opposed to steel furniture will be guided by the use to which the furniture is to be put, the location where it will be used, etc.; for example, for use on ships, in tropical countries, or where fire hazards are serious, steel furniture will be used. However, in order to conserve the supply of steel, particularly where the use is a temporary one, wood furniture of a very simple design will be specified.

The survey of future governmental requirements which included the Army, Navy, and Executive Departments, together with all the various temporary agencies, was conducted by the furniture branch of the OPM with the assistance of John M. Brower and E. R. Dibrell, furniture procurement advisers of the Purchases Division.

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DEFENSE BONDS

The campaign to sell Defense Bonds and Stamps must be stepped up immediately, Secretary Morgenthau has informed all State chairmen and State administrators of the Defense Savings Program.

Sales of Defense Savings Bonds for November amounted to \$233,487,000.

Contracts awarded

Defense contracts totaling \$96,802,344 were awarded by the War Department and Maritime Commission and cleared by the Division of Purchases, Office of Production Management during the period December 4 to 10, inclusive. Of this total, Army contracts amounted to \$77,902,344 as compared with \$102,163,644 for the previous week. Maritime Commission contracts totaled \$18,900,000.

AIR CORPS

Plomb Tool Co., Los Angeles, Calif.; wrenches; \$594,370.
Aviation Mfg. Corporation, Williamsport, Pa.; parts for aeronautical engines; \$974,397.

SIGNAL CORPS

Bendix Radio Division, Bendix Aviation Corporation, Baltimore, Md.; radio parts; \$695,302. (For manufacture at Towson, Md.)
Teletype Corporation, Chicago, Ill.; teletype sets; \$1,594,730.

ORDNANCE

American Brake Shoe & Foundry Co., American Forge Division, Chicago, Ill.; forgings; \$575,360.
Denison Engineering Co., Columbus, Ohio; presses; \$1,221,304.
Logansport Machine Co., Inc., Logansport, Ind.; hydraulic presses; \$579,875.
General Motors Corporation, Detroit, Mich.; ammunition; \$8,780,000. (For manufacture at Saginaw Steering Gear Division, Saginaw, Mich.)

CONSTRUCTION

Fraser-Brace Engineering Co., Inc., New York City; architectural and engineering services and construction management in connection with TNT plant at Geneva, Pennsylvania, to be known as Keystone Ordnance Works; \$30,138,530.

Lion Chemical Corporation, El Dorado, Ark.; consultation services in connection with ammonium nitrate and anhydrous ammonia plant at El Dorado, and operation of plant for one year; \$2,398,270.

General Electric Co., Schenectady, N. Y.; acquiring additional equipment and machinery to be used in existing plants at Fort Wayne, Ind., and Philadelphia, Pa.; for manufacture of aircraft parts; \$774,735. (Defense Plant Corporation agreement of lease.)

General Electric Co., Fort Wayne, Ind.; establishment of additional plant with necessary machinery and equipment for manufacture of turbo superchargers and geared impellers for military aircraft; \$25,011,838. (Defense Plant Corporation agreement of lease.)

Wright Aeronautical Corporation, East Paterson, N. J.; additional building, machinery and equipment for manufacture of aircraft engines; \$4,974,200. (Defense Plant Corporation agreement of lease.)

Thompson Aircraft Products Co., Cleveland, Ohio; additional facilities for manufacture of aircraft parts and aircraft engine parts; \$1,589,433. (Defense Plant Corporation agreement of lease. Total agreement now \$12,787,905.)

SHIP CONSTRUCTION

MARITIME COMMISSION

Bethlehem-Sparrows Point Shipyard, Inc., Baltimore, Md.; six export type cargo vessels; \$18,900,000.

Purchasing Division names 19 to key posts to deal with serious problems for 1942

Key personnel in the Division of Purchases, OPM, has been expanded by the appointment of 19 men to important administrative and consulting posts, Douglas C. MacKeachie, Director of the Purchases Division announced December 8.

Get ready for many new problems

Purpose of the appointments is to increase the top staff of the Division in order to get set up for many serious problems, relating to the supply of critical materials and products, which will face the Office of Production Management in 1942.

The new appointees are:

Wayne R. Allen, of Los Angeles, assigned to the Government requirements branch of the Civilian Supply Division as purchasing adviser. Colonel Allen, who is county manager and purchasing agent for Los Angeles County, Calif., will handle purchasing, requirement, and specification problems of the State and local governments and has started on a survey of minimum requirements by these agencies of critical materials.

William J. Barsanti, of Dearborn, Mich., assigned to the motor transport division of the Quartermaster General as an adviser on the procurement and distribution of tools and repair parts.

George to coordinate food purchases

Harry B. George, Jr., of Chicago, in charge of the purchase of nonperishable foods for the food supply division, will handle the coordination of the purchase of subsistence supplies by Government agencies.

Burt P. Flickinger, of Buffalo, N. Y., assigned to the food supply branch, where he will be in charge of problems of distribution and will act as chairman of the food distributors advisory committees.

Blanchard is textile consultant

Fessenden S. Blanchard, of Scarsdale, N. Y., assigned to the Bureau of Industrial Conservation as a consultant on textiles, handling a program of conservation and simplification in conjunction with the textile branch.

William L. James, of Tulsa, Okla., assigned to the equipment and supplies procurement branch, where he will act as adviser to the procurement officers of the defense agencies on supply items.

William C. Ewing, of Bedford Village, N. Y., assigned to the textile branch, where he will act as consultant on floor coverings.

Manderson in raw materials division

Harold A. Manderson, of Stamford, Conn., assigned to the raw materials division of OPM, as purchasing adviser. Mr. Manderson has had a long experience in the purchase of chemicals and metals first as purchasing director of Procter & Gamble.

George H. Lanier, Jr., of Bronxville, N. Y., assigned to the textile branch as consultant on textile finishing and dyeing materials particularly where dyes are used in uniform materials for the armed forces.

Meyer consultant on canned foods

Emanuel A. Meyer, of Biglerville, Pa., assigned to the food supply branch as consultant on canned foods.

Mr. Meyer was formerly vice president and sales manager of C. H. Wuneliman & Co., canners of apple products and a former director of the National Cannery Association.

Robert Porter, of Philadelphia, assigned to the equipment and supplies procurement branch, in charge of paper procurement. Mr. Porter is purchasing director for Provident Trust Co. of Philadelphia where he has for many years made a study of simplification and conservation practices in the procurement of paper. He will carry on similar work for OPM, in connection with paper purchase by Government agencies and will also advise on inventory controls made necessary by a wave of advanced buying of paper which has been going on in both industry and Government.

John Morrow, Jr., assigned to Ordnance

John Morrow, Jr., of Chicago, assigned to the Ordnance Department of the Army as purchasing adviser. Mr. Morrow, vice president in charge of purchasing for International Harvester Co., is at present engaged in a survey of purchasing methods in connection with ordnance procurement problems.

Guy A. Tompson, of Tulsa, Okla., assigned as purchasing adviser to Clifton Mack, director of Treasury Procurement. Mr. Tompson will advise in handling the greatly increased volume of purchases of steel, chemicals and other heavy materials for the Lease-Lend program. He is vice president and general manager of the Bethlehem Supply Co. of Tulsa.

J. R. Taylor in containers branch

Joseph R. Taylor, of Rowayton, Conn., is assigned to the containers branch in charge of metal and glass containers and will act as Government chairman of the industry advisory committees of those industries. Mr. Taylor is general purchasing director of Socony Vacuum Co., of New York and has in the past given particular attention to the purchase of drums and metal containers.

Charles L. Sheldon, of Watertown, Mass., assigned to the containers branch, where he will act as purchasing consultant. Mr. Sheldon has been loaned by the Hood Rubber Co., of Watertown, Mass., where he is purchasing agent.

Ernest F. Pierson, of Worcester, Mass., assigned to the equipment and supply procurement branch as a purchasing consultant on wire and cable. Mr. Pierson has been connected with the American Steel and Wire Co., of Cleveland, Ohio.

Proctor assigned to textile branch

James W. Proctor, of Scarsdale, N. Y., assigned to the textile branch, where he will act as consultant on cotton duck. Defense requirements of the textile item used for many varied purposes are taking up almost the entire output of this industry. Mr. Proctor is an executive of Wellington Sears & Co., of Boston, Mass.

William M. Rand, of Everett, Mass., production adviser to Maj. Gen. Porter, chief of Chemical Warfare Service. Mr. Rand is vice president in charge of production of the Monsanto Chemical Co. and a member of the Army and Navy Munitions Board.

Irving Squires, of New York City, assigned to the clothing and equipage branch as consultant on clothing. Mr. Squires is vice president of Cohn, Goldman Co. of N. Y., men's clothing manufacturer. Mr. Squires will be in charge of many problems in the clothing industry in connection with the purchase of uniforms and garments for the Armed Services.

SPAB moves along 4 lines to speed victory production

The Supply Priorities and Allocations Board took action December 12 in the following fields to speed and coordinate America's drive for victory:

1. *Critical raw materials from the Pacific area.*—At four meetings last week, SPAB reviewed the stockpiles of these materials which are now available in this country and worked out a program of policies for action insuring adequate military production even in case America's access to overseas sources of supply is cut off entirely. Within a few days a detailed summary of this program will be made public.

2. *Douglas dam.*—SPAB urged that this power project be authorized by Congress without delay, holding that its construction is vital to the war effort and that the new bomber program now being undertaken will be seriously hampered without it. It found unanimous agreement among experts that this is the only source of a large new block of electric power that can be made available as early as the spring of 1943.

3. *Aid for small business.*—SPAB reviewed and discussed with Floyd Odium proposals for aiding small business through limited allocations of critical materials. It called upon OPM to set up a special committee to work out with Mr. Odium a policy and a program of action to be submitted to SPAB at an early date.

4. *Investigation of copper production expansion.*—Due to increased activity which the present war effort is requiring of all officials in government, industry, and labor groups, SPAB decided that the information it has requested regarding copper production can be obtained more quickly if public hearings are dispensed with. Accordingly, it requested that Chester Davis, impartial chairman named by OPM to conduct the inquiry, obtain written statements from all persons who have suggestions.

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Women's mission to Great Britain called off

Because of the emergency created by the declaration of war, the projected visit of a commission of women to Great Britain under auspices of the Office of Civilian Defense was canceled, it was announced by Miss Eloise Davison, assistant director in charge of group activities.

CONTRACT DISTRIBUTION . . .

Permanent displays of needed defense equipment planned to speed production

Permanent exhibits or "market places," where manufacturers may see and examine samples of currently needed defense equipment and parts, will be established in six major cities between now and January 1 and in a number of other cities shortly thereafter, Floyd B. Odum, director of the Contract Distribution Division of OPM, announced December 7.

50 permanent exhibits scheduled

The Army, Navy, other Government purchasing agencies and many large companies holding defense contracts will break down defense equipment into subassemblies and bits and pieces and exhibit these smaller items in the "market places." Manufacturers who have not yet obtained defense work but believe they are qualified for it will be urged to visit the exhibit halls regularly. Displays will be changed often, items being taken out as manufacturers are found to make them and new parts or subassemblies put in their places.

Cities in which permanent exhibits will

be opened between now and January 1 include: New York, Chicago, St. Louis, Philadelphia, Cleveland, and Detroit.

Cities in which permanent exhibits will be opened immediately thereafter include: Atlanta, Boston, Cincinnati, New Orleans, Pittsburgh, Seattle, Birmingham, Buffalo, Kansas City, Mo.; and Los Angeles.

Those next in line for exhibits include: Dallas, Denver, Memphis, Milwaukee, Wis.; and Portland, Maine.

Additional cities will be selected and announced later. A total of about 50 permanent exhibits will be established.

Increase production by spreading work

The exhibits constitute a major part of the Contract Distribution Division's program to increase and speed up defense production by spreading defense work into additional existing plants. Officials of the Division will be available in the exhibit halls to advise manufacturers as to how and where to negotiate for work they believe they can do and, in some

cases, prime contractors will send purchasing agents to the exhibits.

Supplement tours and clinics

These projects will supplement two other activities of the Division already under way—the tours of three special trains carrying samples of defense equipment and parts needed by the armed services, and defense production clinics in which groups of prime contractors get together with thousands of prospective subcontractors.

All these activities give the small manufacturer a better idea of the available work than he can obtain from bales of blueprints and specifications. They also enable him to confer with a large number of procurement officials and prime contractors without traveling all over the United States.

The permanent exhibits are designed also to help prime contractors find existing industrial facilities they need, both to speed up present production and as a basis for bidding on future assembling jobs.

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NEW FIELD OFFICES

Opening of seven new field offices and the enlargement of three others to help qualified manufacturers obtain defense work has been announced by the Contract Distribution Division, bringing to 91 the total number of such offices now operated by the Division.

The new offices and addresses are:

Albuquerque, N. Mex.—103½ West Central Avenue, George Lusk, acting manager.

Boise, Idaho—Capital Securities Building, H. W. Bogie, acting manager.

Casper, Wyo.—P. & R. Building, H. C. Gustafson, acting manager.

Bismarck, N. Dak.—14 First National Bank Building.

Eau Claire, Wis.—128½ Graham Avenue.

Sioux Falls, S. Dak.—309-310 Boyce-Greeley Building.

Lowell, Mass.—Sun Building, 8 Merimack Street.

Those enlarged are:

Allentown, Pa.—506 Hamilton Street, Ernest R. Follin, Jr., acting manager.

Johnstown, Pa.—U. S. National Bank Building, 216 Franklin Street, John S. Wagoner, manager.

Williamsport, Pa.—Susquehanna Trust Building, 120 West Fourth Street, H. D. Stuempfle, manager.

Engineering committee urges pooling of industrial facilities for Victory Program

Subcontracting and pooling of the facilities of American industry were urged December 12, in a resolution adopted by the engineering advisory committee of OPM's Division of Contract Distribution, as a means to provide vital matériel immediately for the Victory Program.

Members of the committee, meeting in Washington last week, called for immediate and wide-spread use of existing plant facilities now idle or partially idle. The resolution said:

"The judgment of the engineering committee is that any substantial increase in the volume of matériel, such as required by the proposed Victory Program within the month immediately ahead, when the need is most pressing, will require an immediate and wide-spread use of existing facilities, now idle or partially idle, through prime contracting, subcontracting and pooling."

This report was made to Floyd B. Odum, director of the Division of Contract Distribution.

Members of the Committee are:

George S. Armstrong, George S. Armstrong & Co., Inc., New York; R. K. Blanchard, American Society of Mechanical Engineers, New York City; John M. Carmody, administrator, Federal Works Agency; Wallace Clark, Wallace Clark & Co., New York City; C. M. Cogan, American Institute of Electrical Engineers, New York City; Walter W. Colpitts, Coverdale & Colpitts, New York City; Morris L. Cooke, technical consultant, Labor Division, Office Production Management; H. G. Crockett, McKinsey & Co., New York City; W. S. Ford, Milwaukee; Alonzo J. Hammond, American Society of Civil Engineers, New York City; Harry Arthur Hopf, H. A. Hopf & Co., New York City; Elwood Horton, George S. Armstrong & Co., Inc.; Dr. M. Ittner, American Institute of Chemical Engineers, New York City; J. R. Lotz, Stone & Webster Engineering Corporation, New York City; Herbert G. Moulton, representing the American Institute of Mining and Metallurgical Engineers; George T. Trundle, Jr., The Trundle Engineering Co., Cleveland, Ohio; D. J. Walsh, Jr., Sanderson & Porter, New York City and John A. Willard, Bigelow, Kent, Willard & Co., Boston, Mass.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Wickard calls on farmers and families to complete mobilization for war production

"Today, whatever our occupation or status, we are first of all Americans," Secretary of Agriculture Wickard said December 9 in a Nation-wide broadcast over the National Farm and Home Hour.

Further remarks of Mr. Wickard:

Sunday morning's bomb explosions ended all confusion and uncertainty in the United States. Instantly, into the face of the attackers, a united Nation flung back the reply that force would be met with force; that America will not rest until we have cleared the seas of international pirates, and put down the possibility of such things happening again. We will see to it that our children do not have to live out their lives in a world where lawless nations are able to terrorize humanity.

This is the task ahead as placed before the American people, and their delegates in Congress, by President Roosevelt. The Congress, speaking for the people, accepted the task. *It will be completed.*

Don't expect an easy victory

Let us not underestimate the size of the task we have undertaken. It will be the part of wisdom not to expect a quick and easy victory. This Nation must buckle to work as it has never worked before.

No industry should underestimate its own responsibilities. That goes for agriculture along with all the others. It is true we have the land resources, and the skilled farm families, and the national organization for management of production that make it possible for us to do what needs to be done. We have the greatest farm productive capacity in the world. But you remember the Biblical parable of the servants with the talents. We shall be judged by how we produce with our talents; not by their number.

We have food reserves

We have got a head start on the job. In the Ever-Normal Granary we have stored reserves of food, feed, and fiber—the greatest in our history. In the soil we have stored reserves of fertility.

Already the effect of American farm production in this war becomes apparent. Because of American lend-lease food the British have been able recently to in-

crease their meat, cheese, and egg rations. This comes at a time when, according to last Saturday's newspapers—the Germans are being obliged to reduce the meat ration of their people.

Must rush organization

Now agriculture's part in the war-time economy of America becomes that of keeping farm production rolling; of maintaining the great superiority this Nation now has in the Number One material of modern warfare—food. We started a year ago to step up production in many commodities. 1941 set new records. Last summer we established 1942 production goals for agriculture, asking for still greater output. We set up State and county USDA Defense Boards to help farmers reach these goals. The farm-to-farm canvass in this campaign has been going on for several weeks. The first job for farmers, and workers in the agricultural agencies, is to rush the farm sign-up and to get the county reports, as nearly complete as possible, sent to State headquarters. It is essential that we have the State reports here in Washington as soon as possible.

Can't afford to waste supplies

All of us must do our best to reach these goals. Labor will be scarce in some sections, farm machinery will be scarce, so will fertilizers, spray materials and other essentials. It would be an offense against national safety to waste any of these scarce things on producing farm products that are not needed. This is a time to work together as if the United States were one big farm, to produce just exactly what we need. We can't afford to be careless or unwise in our production efforts.

Now we must, of course, reexamine the 1942 production goals which we established last summer. We are proceeding immediately to go over the goals again to make sure that they fit the new situation. We are certain, however, now that in the main they will fit. So I say again, proceed with all speed to complete the sign-up and get in the reports. If revisions are necessary in some production lines Defense Boards and farmers will be informed well in advance of the planting season.

There are two other immediately pressing tasks which farm people must complete. One is carrying through the program of repair of farm machinery. Steel is scarce. The manufacturers must know right away how much will be needed to produce repair parts needed for farm machinery. The metal will be allocated to produce these parts. The problem right now is to find out just what parts are required. Every farmer should be urged to buy or order repair parts now if he has not already done so.

The other immediate job is to get scrap metal off the farms and into the junk yards. More scrap metal is urgently needed for steel production. Don't neglect this task.

Greater burden on women

So much for the immediate job of farm men in this emergency. In any war, it's the women of the belligerent nations who make the greatest sacrifices and the greatest contribution to the cause of their country. Their part is even greater in modern war. They will have many duties in connection with community defense activities. It is the women who have the major responsibility of keeping up the family morale when the going gets hard and the outlook is discouraging. Farm women will be called upon for additional sacrifices, in the form of harder work, longer hours, greater responsibility for helping to manage the farm's business, and the farm's contribution to our national production program. They will do their part without stint.

No time for hysteria

America at war has no time for hysteria. The hour calls for cool, steadfast determination to see this thing through, for firmness as individuals and firmness as a Nation.

It is inspiring to see the evidence on every hand of the solid unity that has crystallized in America during the past 48 hours. I am sure no other nation on earth is so united as ours today. That unity will never tolerate defeat; will not stop short of victory. In that unity we shall resolutely undergo the sacrifices that are before us. In that unity we shall manage in agriculture to produce in spite of handicaps. In that unity, based on the justice of our cause, and following the leadership of President Roosevelt, we shall win through.

TRANSPORTATION . . .

Survey shows 74.8 percent of all public storage space occupied as of July 1

The Transportation Division, Ralph Budd, commissioner, announces the completion of a very comprehensive country-wide survey of public merchandise and household goods warehouses. This survey was made by the Bureau of the Census at the direction of the warehouse section, Harry D. Crooks, consultant.

Scope of report

The report which fills nine pages gives as of July 1, 1941, the following information:

Table 1—Public storage space by geographic divisions and by States.

Table 2—Public storage space in primarily general merchandise warehouses, by geographic divisions and by States.

Table 2A—Public storage space in primarily general merchandise warehouses on rail sidings, by geographic divisions and by States.

Table 2B—Public storage space in primarily general merchandise warehouses not on rail sidings, by geographic divisions and by States.

Table 3—Public general merchandise storage space in primarily general merchandise buildings, by rail and sprinkler facilities and by divisions and States.

Table 4—Public storage space in primarily household goods warehouses, by geographic divisions and by States.

Table 4A—Public storage space in primarily household goods warehouses on rail sidings, by geographic divisions and by States.

Table 4B—Public storage space in primarily household goods warehouses not on rail sidings, by geographic divisions and by States.

Public space 74.8 percent occupied

Information received from 2,761 companies operating 5,140 buildings for public storage purposes indicate that on July 1, 1941, the total occupiable or piling space for public storage was 148,437,000 square feet, of which 111,061,000 square feet, or 74.8 percent were occupied. The occupiable space for public storage of general merchandise was reported as 105,479,000 square feet, of which 78,501,000 square feet, or 74.4 percent were occupied. Public household goods space was reported as 38,976,000 square feet, of which 29,789,000 square feet, or 76.4 percent were occupied.

Other space, including cold storage space in buildings not engaged exclusively in cold storage activity and other space specialized or restricted in use, was reported as 4,018,000 square feet, of which 2,771,000 square feet, or 69 percent were occupied.

These figures represent areas for pub-

lic storage only and do not include floor space leased by the warehouse companies to other organizations for private storage, manufacturing, offices, showrooms, and the like.

Not all warehouses included

Private warehouses, merchandise brokers, transient-freight terminals, and exclusively cold storage warehouses were not canvassed and similarly buildings used solely for the storage of agricultural products have not been covered with the exception of some cotton ware-

houses in important port cities. These warehouses are usually used for the storage of cotton but are suitable for the storage of general merchandise. (A survey of refrigerated warehouse space as of June 16, 1941 has recently been completed by the Agricultural Marketing Service of the United States Department of Agriculture).

The mailing list for this special survey was prepared with the cooperation of the American Warehouseman's Association, the National Furniture Warehousemen's Association and Distribution and Warehousing Publications, Inc. Copies of the report may be obtained from the Warehouse Consultant's office, Room 1244, Federal Reserve Building, Washington, D. C.

Insuring transport even more important now than in preparedness program—Budd

Unable to appear in person before the Southern States Industrial Council in Birmingham, Ala., on December 10, Ralph Budd, OEM Transportation Commissioner, sent the group a message by long-distance telephone. The message said, in part:

"Transportation is no less important today, when we are actually at war, than it was last Saturday when the talk which Mr. Capron has kindly consented to read for me, was prepared. Indeed, the need for insuring our country against a transportation shortage is greater, if possible, than it was when we were concerned only with a program of preparedness."

Excerpts from the speech Mr. Budd was to have delivered, and which was read for him by Mr. L. R. Capron, vice president of the C. B. & Q. railroad, follow:

Since the country has now been carried through three peak traffic periods without any delay to defense work—October 1939 when the heaviest weekly car loading reached 856,289, October 1940 with an 837,651 car-week, and finally a week in October 1941 with 922,882 cars—we are able to say with confidence that our transportation resources are at this time sufficient fully to meet our needs. We may say further that if transportation is treated as an integral part of the national defense, and therefore is expanded as the capacity for production is enlarged these resources will continue to meet our needs. *But if this is not done*

no one can guarantee continued satisfactory service.

At present the proportion in which the total freight traffic of the country divides is approximately as follows: railways, 63 percent; highways, 8 percent; waterways, including the Great Lakes, 18 percent; pipe lines, 11 percent; airways do not yet figure prominently in the handling of freight.

In essence, of course, the transportation problem of the moment is one of *intensive* rather than *extensive* expansion. Our mileage of railways, highways, waterways, and airways is adequate, if properly maintained, to handle a considerably larger volume of traffic than is now passing over those routes. Indications point, however, to the fact that existing equipment units are in some cases at least being utilized close to capacity and new and additional units must be built if the defense and Lend-Lease load is to be adequately and efficiently handled, and especially to carry on actual warfare.

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SPEECH TO ENGINEERS

An article appearing on the Transportation Page December 9 referred to a speech Commissioner Budd delivered December 4 before the "American Society of Military Engineers." The December 4 speech actually was made before the American Society of Mechanical Engineers.

HEALTH AND WELFARE . . .

McNutt urges governors to mobilize State health and welfare services for emergency

Following is the text of an appeal sent December 8 by Federal Security Administrator Paul V. McNutt, director of Defense Health and Welfare Services, to the Governors of all States urging complete mobilization of State health and welfare services to meet the wartime emergency.

Urged to take immediate steps

As Director of Defense Health and Welfare Services, I urge you to make immediate preparations to care for those civilians whose well-being may be jeopardized by enemy action.

The prevention and relief of suffering growing out of wartime disaster is a function of government. Regular State agencies operating health, welfare, and educational programs have already been making plans for necessary defense expansion in collaboration with State de-

fense councils, the Office of Civilian Defense, and this Office. Federal agencies are agreed that the needs growing out of war should be met through extension of peacetime services, rather than through the establishment of new agencies and new facilities.

In each municipality and county in your State public authorities are already operating peacetime health, welfare, and educational programs which properly form the nucleus of wartime activities. Many communities, possibly the communities in your State, should not only plan for the extension of their present services but should also prepare to provide whatever additional services may be necessary in case of attack or sabotage from without or within.

The wartime social services that should now be developed include those for the

care of persons who may be rendered homeless or needy through belligerent action. Provisions must be made for the shelter and feeding of such people, possibly in large numbers. Those communities which are already operating municipal lodging houses and municipal restaurants should plan to expand those facilities as necessary. Communities with home registration bureaus should consider what additional facilities may be necessary in case large numbers of people become homeless. Communities where there is as yet no framework for emergency housing and food distribution should establish a basis for such action as may be needed.

Persons rendered homeless may need immediate cash assistance to permit them to purchase necessary food, clothing, and equipment so that they may continue as nearly as possible in their regular pursuits. People whose work relationships are disrupted, and families of wage earners who are injured, are also likely to need cash aid. Many States and localities do not have an adequate system of cash assistance; Federal aid is not available without statutory enactment. Pending necessary legislative action, however, I trust that you will ask the appropriate State and local officials to canvass the situation against the time of such need.

The U. S. Public Health Service is in contact with health authorities and is prepared to advise them on the supplementation of regular peacetime services. The Office of Civilian Defense is also working with State and local health departments to establish such health services as may be necessary in wartime.

I know that you and the agencies under you—and all appropriate municipal and county authorities associated with you—appreciate your own basic obligation to provide wartime services as a part of our concerted national effort. There is imperative need for immediate, detailed planning and organizing on the part of duly constituted Government authorities; I stress this necessity with all the urgency at my command. At the same time I would point out that every effort should be made to prevent misguided zeal or hysterical activity. The emergency planning and organization which I now urge you to mature will be the most effective safeguard of community defense for your people and your State.

Student nurses sought for training to relieve acute shortage in all services

A general call for young women to enroll in schools of nursing to meet an existing shortage of professional nurses for the Army and Navy, and civilian requirements, was made December 9 by Federal Security Administrator Paul V. McNutt, director of OEM Defense Health and Welfare Services.

Mr. McNutt declared that a critical need exists for thousands of professional nurses, and he urged young women to take advantage of the training courses now being financed by the Federal Government, not only to meet this shortage, but to prepare for careers in the distinguished profession of nursing.

"We have made every effort to obtain thousands of additional young women to take training in accredited schools for nursing this year," Mr. McNutt explained. "I urge that those who wish to volunteer contact their State or district nurses associations or the superintendent of nurses in their local hospital."

50,000 more student nurses needed

Miss Alma C. Haupt, executive secretary of the subcommittee on nursing of the Health and Medical committee, said a call had been issued for 50,000 more student nurses for this school year to

meet the present acute shortage of trained nurses. She pointed out that Congress had appropriated \$1,250,000 for training nurses for defense.

These funds, she added, are being used to provide for basic student training, refresher courses for inactive nurses returning to active duty, and for postgraduate instructions in special fields.

In order to relieve further the shortage of nurses, 100,000 volunteer nurses' aides are being trained by the Office of Civilian Defense and the American Red Cross.

New nursing chairman appointed

Meanwhile, Mr. McNutt announced the appointment of Miss Sophie C. Nelson, director of the Nursing Service of the John Hancock Mutual Life Insurance Co., Boston, Mass., as chairman of the subcommittee on nursing of the Health and Medical Committee of the Office of Defense Health and Welfare Services. Miss Nelson succeeds Miss Mary Beard, who has resigned to devote full time to the nursing program of the American Red Cross.

Miss Nelson has had a wide and varied career in the field of nursing, both in the United States and abroad.

CIVILIAN DEFENSE . . .

Plans to push organization of emergency medical services laid at meeting

Intensification of the medical program of the Office of Civilian Defense was planned at a 2-day joint meeting of regional medical officers with the Medical Advisory Board which concluded December 10.

Before leaving for the Pacific Coast, Mayor F. H. LaGuardia, director of Civilian Defense, told the group that the academic stage of planning had passed. Two things, he said, are important now in the medical field: get emergency medical field units organized and drilled and establish field casualty stations in the target areas on both coasts.

Communities need emergency services

Every community must have an emergency medical service and every hospital an emergency medical field unit, Director LaGuardia said. Emergency medical field units are made up of physicians, nurses and nurses' aides from hospital staffs. Reserve units also should be organized among physicians, nurses in private practice and trained volunteers.

The medical division of the Office of Civilian Defense recommends that in areas with small hospitals whose resident staffs cannot be depleted, the primary emergency field unit of a hospital be made up in whole or in part of physicians, nurses and trained nursing auxiliaries in the community.

Call for volunteers as nurses' aides

Volunteers are urgently needed for training as nurses' aides to serve in hospitals, casualty stations, and in first aid posts. These aides are being trained by the American Red Cross in cooperation with hospitals designated officially as training centers by the Office of Civilian Defense.

First aid training must be pushed forward, both for the general population and for enrolled civilian defense workers such as air raid wardens, stretcher bearers, and fire fighters, the group agreed.

The medical defense officials decided that it is necessary for all hospitals to establish blood banks for civilian use, as well as collecting stations for plasma and

serum, similar to those developed by the American Red Cross for the Army and Navy. It was pointed out that a supply of whole blood and of plasma and serum for use among civilians is essential, as the armed forces will not be able to release any of their supply under conditions of actual warfare.

Plans under way on both seaboards

Medical defense plans were reported to be well under way in States along both seaboards in accordance with plans developed by the OCD. Dr. Wallace Hunt, medical officer for the Ninth Civilian Defense Region with headquarters in San Francisco, reported that the important cities of the West Coast, especially those in California, had well developed disaster services as a result of their experiences with earthquakes and that these are being rapidly integrated into the comprehensive Civilian Defense program.

Members of the Medical Advisory Board who attended the meeting were Drs. George Baehr, New York, chairman of the Board and Chief Medical Officer of the Office of Civilian Defense; Robin C. Buerki, Philadelphia; Elliott C. Cutler, Boston; Oliver B. Kiel, Wichita Falls, Tex.; Albert McCown, Washington, and Huntington Williams, Baltimore. Regional medical officers present, besides Dr. Hunt, were Drs. Allan M. Butler, Boston, First Defense Region; H. Van Zile Hyde, New York, Second Region; W. Ross Cameron, Baltimore, Third Region; Judson D. Dowling, Atlanta, Fourth Region; William S. Keller, Columbus, Fifth Region; and Witten B. Russ, San Antonio, Tex., Eighth Region.

Others present included Miss Mary Beard, director of the division of nursing service, American Red Cross; Dr. J. W. Crabtree, executive secretary of the Health and Medical Committee of the Office of Defense, Health and Welfare Services; Dr. Thomas Parran, Surgeon General, and Dr. Erval R. Coffey of the United States Public Health Service, and Dr. Martha Eliot of the United States Children's Bureau.

On December 10 the regional medical officers conferred with the United States Public Health Service and the Office of Defense, Health and Welfare Services.

Give children patriotic tasks, don't subject them to too much talk about war, OCD advises

Parents were advised not to talk too much about war in the presence of their children but rather to attempt to make their children feel self-sufficient, in a statement issued by the Office of Civilian Defense December 10.

The statement said:

Your children know there is a war. They will keep cool if you do. You will keep up their morale best if you keep family life going along as usual. Try not to talk too much about the war, or listen to too much war news, especially at meal times.

Give them something to do

The best thing for children is to have real and useful things to do that will make them feel that they, too, are serving. They can help the Red Cross by knitting afghan squares, caps, and sweaters. They can sew their own name tags into their clothing.

They can get busy collecting paper, scrap iron, tin foil and other needed waste materials. They can turn out unnecessary lights to save the electricity. You would be wise to give each child some small special duty at home.

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Don't publish unconfirmed rumors, LaGuardia urges

Mayor F. H. LaGuardia, director of the Office of Civilian Defense, addressed the following statement to the American people on December 11.

"The United States Army and Navy are fully conversant with the enemy situation. They are taking all measures to protect the United States and the lives and the property of its citizens. The Army and Navy will issue factual reports to the public, if and when danger is imminent. Until such reports have been issued by the only authorities fully conversant with the situation, it is urged on the people, the press and the radio of the United States that they do not publish as news any rumor which they have not had an opportunity to confirm.

"It is urged on the people of the United States that they view the situation calmly and do not allow themselves to become panic-stricken over false rumors which in many cases are entirely groundless."

Motorists told what to do when air raid starts

The Office of Civilian Defense issued December 11 the following official instructions to motorists, signed by Director LaGuardia:

Follow these rules if you're out in a car when an air raid starts. Do these things at once:

1. Pull over to the curb.
2. Park the car.
3. Turn off all the lights.
4. Get out of the car.
5. Take shelter in the best available place—indoors if possible.

If you're on a bus remember that the bus must stop when the warning sounds. Get out of the bus and take shelter.

If unable to shelter yourself indoors, sit down; if bombs start dropping near you, lie down. Cover your ears with your hands. Protect the back of your head.

If you meet a warden, go where he tells you to go, promptly and cheerfully.

CAUTION.—Don't leave your car in the middle of the street. Don't double-park. Don't run—walk.

Keep cool. Keep your head.

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BILL OF RIGHTS PAMPHLET READY FOR DISTRIBUTION

A 38-page, illustrated pamphlet on the sesquicentennial of the Bill of Rights, which will be celebrated throughout the Nation under the sponsorship of the Office of Civilian Defense, is now ready for distribution.

Historical summary

The pamphlet, which was prepared for the Office of Civilian Defense with the assistance of the Library of Congress, gives a historical summary of the writing of the first 10 amendments to the United States Constitution, now known as the Bill of Rights, excerpts from statements of famous Americans on the various amendments, and material which may be useful in connection with the observance of the day.

Celebration on December 15

December 15 was selected as the date for the celebration, because, according to the pamphlet, it was on that day in 1791 that Virginia, the last State necessary to make them a part of the Constitution, ratified the 10 amendments.

LaGuardia establishes Civil Air Patrol to help relieve pressure on armed services

A Civil Air Patrol to enlist for the duration of the war approximately 90,000 licensed pilots, 90,000 student pilots who will be licensed by spring, and a ground personnel estimated at 100,000 was established December 9 by Mayor F. H. LaGuardia, director of the Office of Civilian Defense.

The Civil Air Patrol will include approximately 23,000 civil aircraft and 2,000 airports in the United States on which there are no military or scheduled airplane operations, as well as hangars, shops, etc.

To provide training courses

Director LaGuardia declared it is the object of the Civil Air Patrol to enlist, train and discipline civil aviation personnel and matériel so that their potential value to defense may be made available immediately. The potential value would be enhanced by the voluntary completion of training courses provided by national headquarters of the Civil Air Patrol with the cooperation of the Army and Naval Air Services and the Civil Aeronautics Authority.

Curry named national commander

Maj. Gen. John F. Curry, U. S. Army Air Corps, has been assigned by the Army to the Office of Civilian Defense and designated by Director LaGuardia as national commander of the Civil Air Patrol.

Director LaGuardia announced he has appointed Maj. Reed G. Landis, former pilot U. S. Army Air Service as Aviation Aide to the director of Civilian Defense.

Established by administrative order

Director LaGuardia's Administrative Order No. 9 establishing the Civil Air Patrol follows:

By virtue of the authority vested in me through my appointment as United States Director of the Office of Civilian Defense, through the Executive order of the President creating said Office, dated May 20, 1941, I have caused to be created and organized a branch of this Office of volunteers for the purpose of enlisting and training personnel to aid in the national defense of the United States, designated as the Civil Air Patrol.

In conformity with said organization, Maj. Gen. John F. Curry, U. S. A. Air Corps, has been assigned to this office by the U. S. Army and designated by me as its National Commander. Said organization shall be in the form as outlined in the attached chart, which is made a part of this Order as if written herein in full. The Civil Air Patrol shall carry out such Orders and directives as are issued to it by the Director of Civilian Defense. It shall be the duty and the responsibility of the National Commander to see

that the objects and purposes and orders issued in conformity with the policy of this Office are carried out and that all activities are reported regularly to the Director through the Aviation Aide.

All enlistments and appointments in the Civil Air Patrol may be disapproved by the Director of the Office of Civilian Defense.

Relieve pressure on armed services

Director LaGuardia said that in addition to the technical personnel potentially available, there are millions of persons interested in aviation and anxious to cooperate in some manner with Civil Air defense.

"It is known that there are certain specific services civil aviation can provide to the armed services that will relieve those services of some of the pressure due to the war, thus enabling them to use their men and equipment for other more important duties," Director LaGuardia said.

General Curry was promoted to the rank of Major General October 27, 1940 and assigned to command the Northwestern Air District with headquarters at Spokane, Wash. He previously had been assigned to command the Tenth Pursuit Wing at Hamilton Field.

Major Landis has been a member of the Chicago Aero Commission since its inception; a member of the National Advisory Board of the National Aeronautics Association and was instrumental in organizing the National Airport Transport, Inc., and the Trans-Continental Air Transport, Inc.

Major Landis was instrumental in organizing the National Association of State Aviation Officials of which he was president.

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Air combat crew commissions open to high school graduates

The Air Corps has made it possible for high school graduates to qualify as the nonflying officers who operate the War Department's secret bombsight and navigate its long range bombers.

Graduates of accredited high schools between the ages of 20 and 26 inclusive, who pass an Air Corps intelligence test, are being accepted for a joint navigator-bombardier training course recently established by the Air Corps, it was announced recently by the War Department. This course is expected to turn out 10,000 or more specialized combat crewmen by the end of 1942.

President accepts resignation of Miss Harriet Elliott, consumer director

The President December 10 accepted the resignation of Miss Harriet Elliott as Consumer Adviser on the Defense Commission and also as Associate Administrator and Director of the Consumer Division in the Office of Price Administration, in a letter the text of which follows:

DEAR MISS ELLIOTT: With sincere regret I have received your resignation as Consumer Adviser on the Defense Commission and also as Associate Administrator and Director of the Consumer Division in the Office of Price Administration, tendered in your letter of November twenty-second. As the circumstances that compel your action and with which I have long been familiar leave no alternative, I accept your resignation effective at the close of business today.

Appreciation expressed

In taking this action, I desire to express my own heartfelt appreciation and that of the consumers of the Nation of the splendid service you have given. You brought to your work natural aptitude, as well as valuable experience gained in part as the Commissioner for Consumer Protection in the old National Defense Advisory Commission, where as the only woman member you won both the admiration and respect of your associates.

In the work which you are now relinquishing you have defined and given form to the place of the consumer in the national emergency and brought together the staff and organization necessary for adequate representation of the consumer interest. All this you have done while carrying on your always important duties at The Woman's College of the University on North Carolina.

I wish you great happiness as you resume educational work on a full-time basis. My regret at the loss to the public interest which this return entails is lessened by the

thought that we can always fall back on your counsel and judgment as occasion arises.

Returning to university post

Under date of November 22, Miss Elliott wrote the President as follows:

"MY DEAR MR. PRESIDENT: It is with deep regret that I am presenting to you my resignation as Consumer Adviser on the Defense Commission and also as Associate Administrator and Director of the Consumer Division in the Office of Price Administration. I am not suggesting the date when my resignation shall take effect. I will await your decision as to the time when I may return to my duties at the Woman's College of the University of North Carolina. In the interim I will not discuss my resignation privately or make it public.

I want to thank you for giving me the opportunity to assist with the defense planning program. May I also tell you that knowing you and working with you has been the rarest experience of my life. I will always cherish this experience with deepest gratitude. This Nation and the world are deeply in your debt for your incomparable and courageous leadership in this the most critical moment in all history.

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the FEDERAL REGISTER, are carried in the weekly SUPPLEMENT OF VICTORY. The SUPPLEMENT will be mailed to any paid subscriber of VICTORY on request to the Distribution Section, Division of Information, OEM.

Henderson expresses regret at Miss Elliott's resignation

OPA Administrator Henderson issued the following statement December 11.

"The resignation of Miss Harriet Elliott as associate administrator of the Office of Price Administration, announced yesterday by the President, is a severe loss to the Consumer Division of OPA. Miss Elliott has devoted unswerving effort and great ability to her work in the protection of consumer interests. I am happy to state that she will continue to serve in a consulting capacity.

"The Consumers Division will continue as part of the Office of Price Administration. Until a successor to Miss Elliott is appointed I will assume personal direction of activities in the Consumers Division."

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Ban imposed on amateur radio communications

Following special meetings December 8 of the Defense Communications Board and the Federal Communications Commission, the ban, imposed the night of December 7, on amateur radio communications in the United States, its territories, and possessions was tightened by the Commission to include all amateurs except those who may be permitted to function in a special national defense category upon specific recommendation of the Defense Communications Board.

OFFICE FOR EMERGENCY MANAGEMENT

WAYNE COY, *Liaison Officer*

CENTRAL ADMINISTRATIVE SERVICES: Dallas Dort, *Director*

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman*.

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator*.

INFORMATION DIVISION: Robert W. Horton, *Director*.

NATIONAL DEFENSE MEDIATION BOARD: Wm H. Davis, *Chairman*.

OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT: Dr. Vannevar Bush, *Director*.

OFFICE OF CIVILIAN DEFENSE: Fiorello H. LaGuardia, *Director*

OFFICE OF THE COORDINATOR OF INTER-AMERICAN AFFAIRS: Nelson Rockefeller, *Coordinator*.

OFFICE OF DEFENSE HEALTH AND WELFARE SERVICES: Paul V. McNutt, *Director*

OFFICE OF PRICE ADMINISTRATION: Leon Henderson, *Administrator*.

CONSUMER DIVISION: Leon Henderson, *Administrator*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*.

Donald M. Nelson, *Executive Director*.

The Secretary of War.

The Secretary of the Navy.

William S. Knudsen.

Sidney Hillman.

Harry Hopkins.

Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

OFFICE OF FACTS AND FIGURES: Archibald MacLeish, *Director*.

OFFICE OF LEND-LEASE ADMINISTRATION: E. R. Stettinius, Jr., *Administrator*.

OFFICE OF PRODUCTION MANAGEMENT:

William S. Knudsen, *Director General*.

Sidney Hillman, *Associate Director General*.

Secretary, Herbert Emmerich.

General Counsel, John Lord O'Brian

PRODUCTION DIVISION: W. H. Harrison, *Director*.

PURCHASES DIVISION: Douglas C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odium, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

VICTORY

formerly DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

DECEMBER 23, 1941

VOLUME 2, NUMBER 51

DEFENSE PROGRESS

MANPOWER

National labor force, Nov.....	53,300,000
Unemployed, Nov.....	3,900,000
Nonagricultural workers, Oct....	*40,749,000
Percent increase since June 1940	14
18 defense industries, Oct.....	2,700,000
Percent increase since June 1940	69

FINANCE

<i>June 1939 to latest reporting date</i>	<i>(In millions of dollars)</i>
Authorized program, Dec. 15.....	*74,440
Obligations Nov. 30.....	*47,726
Total disbursements, Nov. 30.....	*13,299

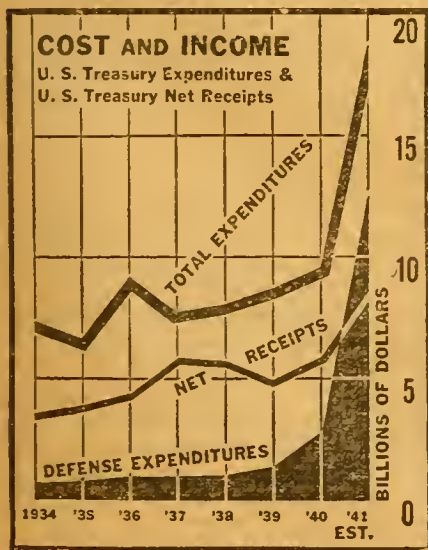
PRODUCTION

Paid on contracts, June 1940-	
November 30, 1941.....	\$10,488,000,000
Combat vessels in November	2
Merchant ships, November.....	*11

Week ended December 20 *Strikes* *Workers*

Significant defense strikes in progress during week.....	5	800
Number settled.....	3	300

*Preliminary.



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Review of the Week

The American public began last week to learn at first hand about our stake in the Pacific. Price Administrator Henderson, who also is director of the Division of Civilian Supply in the Office of Production Management, announced that rationing of new rubber tires would begin January 4. He said the present view of such rubber supplies as we can count on is that virtually none can be spared to manufacture tires for private owners of passenger cars. Mr. Henderson emphasized that the rationing would be by local boards set up through the defense councils, and in response to questions he said the local boards probably would be useful in case other items must be rationed.

All tin under Federal control

At the same time the Federal Government moved through the OPM Priorities Division to take charge of all tin in the United States and en route. Tin, like rubber, comes largely from the Far East.

The Priorities Division took direct control of iron and steel alloys containing several elements for which we depend in various degrees on the Orient. Manufacturers of ferrochromium agreed to changes in specifications permitting the use of lower-grade ores. Tungsten allocation was prolonged.

Ceilings put on wool prices

Action was taken on a number of fibers affected by the war with Japan. The Office of Price Administration put ceilings on prices of raw wool, wool tops, wool yarns, and wool floor coverings. Manufacturers of woolens pledged aid in conservation. Meanwhile, OPA announced it was preparing further emergency price schedules on a number of textiles.

A ceiling was placed on prices of kapok, a life-jacket filling of which 90 percent comes from the Netherlands East Indies. OPM put drastic restrictions on the sale of manila cordage, a Philippine product. OPA asked handlers of natural resins and shellac to keep charges at or below December 5 levels. Second-hand burlap bags,

as well as used cotton bags, were subjected to a schedule of maximum prices because of urgent Army and Navy needs for sandbags and the threat to burlap imports.

First goods requisitioned

Meanwhile the Priorities Division, making the first use of new powers, requisitioned over a million dollars' worth of steel, copper, and teakwood waiting at American ports for forwarding to foreign owners to whom shipment can no longer be made.

On the production front, machine tool manufacturers were told in an OPM meeting that they might have to double their output. They promised to do everything necessary. The Production Division announced that the first Army bomber from parts fabricated by the automobile industry will be assembled soon after the first of the year, months ahead of schedule.

OPM organization tightened

To speed decisions on war production and the conversion of plants to military output, industry branches of OPM were told to report directly to the Director General and Associate Director General, and to work more closely with management and labor.

A strike of welders on the West Coast interfered with huge war contracts while labor and management representatives prepared to resume their conference in Washington for uninterrupted production in all armament factories during the emergency.

The Office of Civilian Defense stressed that production should continue without interruption in arms plants during trial black-outs.

Further moves on iron and steel followed the addition, late in the previous week, of domestic stoves to the list of goods for which use of the metals is curtailed. OPA put a price ceiling on all resales of iron and steel products in quantities normally handled by jobbers, dealers and distributors. The OPM Materials Division announced that priority ratings

just below those accorded top military projects would be granted to speed expansion of capacity to make steel for our ships and tanks and guns.

Steps were taken to prevent, so far as possible, dislocations caused by restriction of the rubber supply. A ceiling was put on prices of reclaimed rubber, and the two principal American sellers of guayule rubber, made in small quantities from a shrub grown in Mexico and California, were asked to keep their prices down. OPM Associate Director General Hillman issued a five-point program that management and labor will be expected to follow in alleviating unemployment among rubber workers. Price Administrator Henderson asked makers of rubber soles and heels to avoid price increases pending completion of an OPA study.

Stabilizing consumers' goods

Manufacturers of seven types of consumers' durable goods—china, glass, lamps, lampshades, clocks, watches, and silverware—were asked to curb their prices. Prices of bleaching powder, needed by the armed forces to combat poison gas and disease, were stabilized by voluntary agreement. More than 700 makers of paper products, from envelopes to straws, were asked to give a month's notice before increasing prices. The waste paper price schedule was revised.

Other price action or agreements concerned sulphuric acid, pyrophosphate (basis of cleaning compounds), benzol, toluol (starting point for T. N. T.), xylol, solvent naphtha, zinc oxide, and blast furnace beehive coke.

The Priorities Division removed red tape to speed up action on rated orders involving less than \$500 worth of material. Preference ratings for industrial repair, maintenance, and supply were liberalized.

Don't wait—save now

Because of needs made urgent by the outbreak of war, the Bureau of Industrial Conservation asked householders the Nation over to start saving "waste" materials without waiting for the inauguration of the formal salvage program.

OPM authorized the setting up of a committee to determine over-all supplies necessary for preserving the health of the civilians and fighting men and to see that the supplies are made available.

VICTORY

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Henderson outlines rationing system, virtual ban on new tires for private cars

Tires will be rationed after January 4, through local boards set up in cooperation with the defense councils, Leon Henderson, price administrator and director of Civilian Supply, told a press conference December 17. Excerpts from the conference appear on page 10. Mr. Henderson's prepared statement follows:

Spread of the war to the East Indies area threatens the future importation of rubber into this country. Approximately 50 percent of crude rubber comes from land areas already occupied or being invaded by the Japanese. Another 43 percent comes from the adjacent Dutch and British Islands of Sumatra, Java, and Borneo, all of which are threatened by the Japanese.

This means that consumption of rubber products already manufactured and of crude rubber must be conserved by every possible means until the outlook for future crude rubber imports is cleared up.

At the present time this country has on hand a substantial stockpile of crude rubber and large inventories of manufactured goods held by producers and dealers.

However, expanding needs of the military forces plus the uncertainty over the possibility of getting further imports make it imperative at this time that we cut down our civilian consumption to not more than 10,000 tons of crude rubber per month. This is taking a pessimistic view of the situation but no other attitude is justified in the present emergency.

Consumption of crude rubber for production of civilian goods in recent months has been running at a monthly rate of around 47,000 tons. It is obvious that we will have to reduce this consumption of crude rubber by nearly 80 percent.

75 percent normally goes into tires

Approximately 75 percent of crude rubber consumed in this country normally goes into tires. A small amount of the balance, aside from nontire military needs, goes into such products as golf and tennis balls, bathing apparel, stationers' goods, toy balloons, etc. Manufacture of such products can be eliminated entirely. But most of the balance goes into essential mechanical goods and other products such as fire hose, transmission and conveyor belts, packings, friction tapc, jar rings, surgeons' gloves, hot water bottles, syringes,

protective clothing, and thousands of other products. Substantial amounts of reclaimed rubber are available but will have to be used in large part to replace crude rubber in the manufacture of mechanical goods and other products. Likewise, a substantial part of the 10,000 tons of crude rubber available per month for civilian goods will have to be

RUBBER

FURTHER EXPLANATION of rationing, by Mr. Henderson—page 10.

RECLAIMED RUBBER put under price ceiling—page 12.

GUAYULE SELLERS asked to keep prices down—page 12.

CARBON BLACK, tire component, permitted price increase—page 12.

EMPLOYMENT program to meet dislocations due to restricted output—page 24.

SAVING TIRES—10 rules—page 12.

PLANTING STOCK reaches U. S. ahead of war—page 28.

used in manufacture of such products. Amounts of synthetic rubber available in the near future will be very small. This means that only a part of the 10,000 tons per month of residual supply will be available for tire production.

At the present time there are between 7,000,000 and 8,000,000 new tires in stock in this country. In recent months replacement tire sales have been running around 4,000,000 tires a month. It is obvious that existing stocks on this basis would be adequate to meet only about 2 months' normal requirements.

The Government moved to meet this situation on December 11 by imposing a ban on sales of new tires, except for those buyers having priority ratings of A-3 or higher. This ban was to extend to December 22, during which period it was hoped that a rationing plan could be perfected. Much progress has been made on development of this plan through the combined efforts of the Division of Civilian Supply of OPM and the Office of Price Administration. It will be necessary, however, to extend the ban on new tire sales through January 4 to complete preparation of the rationing plan.

Framework of rationing

Basic framework of a tentative rationing plan has been worked out, however, and I want to review its principal features:

1. For the time being production of new passenger car tires will be almost entirely eliminated and production of new truck tires will be curtailed.

2. A monthly quota of tires which can be sold in the United States and its possessions will be determined on the basis of the amount of crude rubber which can be used in production of new tires.

3. These monthly quotas will be broken down into State and county quotas primarily on the basis of commercial vehicle registrations in each area.

4. State and local rationing boards are being set up by Frank Bane, director of Field Operations, OPA, through State defense councils. The State boards will serve largely as clearing agencies for information passing between the Federal Government and local boards.

5. Sales of new tires will be limited to individuals and agencies requiring them for the maintenance of industrial efficiency and civilian health. These will include the following broad classes: vehicles required for the maintenance of public safety and health; passenger transportation equipment, exclusive of private passenger cars; and a limited group of essential truck operators. Details of this list of users who will be permitted to buy new tires will be issued within a few days. In any event sales of new tires to owners of private passenger cars will be virtually prohibited for the present.

6. Would-be purchasers of new tires will be required to show to the local rationing boards that they fall within the eligible groups, and that it is essential for them to get tires for the safe operation of their vehicles.

7. Purchasers fulfilling these requirements will be given certificates permitting them to make purchases.

Prices will be stabilized

8. Controls are also being developed over the sale of retreaded tires and the retreading of tires.

9. Appropriate price action to stabilize tire prices will be taken by the Office of Price Administration before the rationing plan is instituted.

10. The rationing plan will be issued as a priority order and will carry all the legal sanctions behind such orders, including the power to withhold priority assistance in replenishing stocks and criminal penalties incident to falsification of reports to the Government.

PRIORITIES . . .

OPM seizes over million dollars in scarce materials stored for foreign shipment

Priorities Director Nelson announced December 19 the requisitioning of more than a million dollars' worth of critical scarce materials being held in warehouses and railroad terminals for shipment to foreign countries.

The seizures were the first moves under the requisitioning authority extended to the OPM in the Executive order signed by the President on November 19.

Steel stocks, other items seized

More than 13 million pounds of steel in bars, plates, and shapes, 3½ million pounds of electrolytic copper, 34,000 pounds of tin, and 70,000 feet of teakwood decking and squares, on order for shipment to European countries, have been taken over by the Navy Department, with the approval of the Priorities Director.

All of the stocks of steel seized had been located by the Bureau of Research and Statistics of the OPM, as a result of its survey of immobilized inventories. The copper, tin, and teakwood supplies had been reported directly to the Navy Department.

Owners to be compensated

The owners of the seized materials, mostly firms in Holland, Switzerland, and Sweden, which had placed their orders before the outbreak of war, will be compensated according to the regulations promulgated by the Supply Priorities and Allocations Board on December 8. These require that immediately upon the seizure of any property, notice of the requisitioning shall be given by the requisitioning authority to all persons known to have, or claim, any interest in such property. Owners are directed to file claims with the requisitioning authority.

The requisitioning authority will make a preliminary determination of the just compensation to be paid for the requisitioned property and submit this determination to our owners. Provision is made for the holding of hearings in cases where disagreements arise as to the price to be paid.

Further requisitions expected

The inventory and requisitioning section, which passed upon the Navy's requests to make the seizures, was set up in the Priorities Division on December 9,

the day after the President signed the declaration of war with Japan, and the first approvals were signed by the Director of Priorities on December 13.

Mr. Nelson pointed out that the materials requisitioned had become immobilized, as they had been set aside for shipment abroad before the outbreak of the war in Europe made this impossible. They were being held in a number of warehouses, yards, and other places of storage.

It is expected further requisitions of idle materials will be made by the Army, Navy, and Maritime Commission, following approval by the OPM, and by the OPM itself.

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Alloying elements placed under strict control

To conserve scarce alloying elements used in the production of alloy iron and steel, an amendment to General Preference Order M-21-a has been issued, effective December 20, prohibiting producers from melting any alloy iron or alloy steel containing specified alloying elements in specified amounts, except to fill orders with rating of A-10 or higher, or by special direction of the Director of Priorities.

More stringent January 1

Effective January 1 is a prohibition of delivery of such materials save on the same terms, with an added proviso that the Director of Priorities may issue orders directing or forbidding specific deliveries.

Under the terms of the amendment, the Priorities Director may also issue orders governing the amount of any alloying material to be used in the production of any alloy steel or alloy iron.

Alloy iron or alloy steel containing any one or more of the following elements in the following amounts, are covered by the restrictions:

Manganese in excess of 1.65%; copper in excess of 0.60%; chromium in excess of 0.60%; molybdenum in excess of 0.60%; nickel in excess of 0.60%; cobalt, tungsten, or vanadium in any amount specified or known to have been added to obtain a desired alloying effect.

Drastic restrictions placed on sale of manila cordage

Drastic restrictions on the sale of manila cordage were ordered December 19 by OPM in a further amendment to General Preference Order M-36 covering manila fiber and cordage, which is imported from the Philippines.

The sale of manila cordage to the mining industry is eliminated.

Further manufacture of class C cordage is prohibited. Such cordage consists half and half of sisal rope and manila cordage. Stocks now on hand or in process of manufacture may be sold.

Under the latest amendment, manila cordage may be sold by processors and dealers only for the following categories of orders:

1. Defense orders accompanied by preference rating certificates (not including a Preference Rating Order) having a rating of A-1-J or better.

2. Commercial marine usages in vessels engaged in the carriage of cargo or passengers, or in towage, lighterage or fishing for commercial fish markets or canneries, and usages for shipbuilding. (Boats used in taking out sportsmen for hire are excluded.)

3. Oil wells and gas wells—for drilling cables only.

Sales of existing stocks have been further restricted. Previously such sale was permitted in lengths of 540 feet or less. Now it is limited to 200 feet or less, provided the rope has already been cut in such lengths.

With certain exceptions, manila fiber may be imported only by the Defense Supplies Corporation or the Navy. The exceptions are certain existing contracts with cordage manufacturers where shipping is scheduled between now and April 30, 1942.

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Limits on methyl alcohol deliveries removed for three uses

Limits on the amounts of methyl alcohol which may be delivered for use (a) as a denaturant for ethyl alcohol; (b) for the production of formaldehyde; (c) for general chemical manufacture, have been removed by an amendment to General Preference Order M-31 issued December 19 by the Division of Priorities.

The purpose of this amendment is to promote these uses for methyl alcohol at the expense of less essential uses.

Federal Government moves to take charge of all tin supplies in U. S. and en route

The Federal Government moved December 18 to take charge of all supplies of tin in the United States and all tin afloat.

General Preference Order M-33, issued by Donald M. Nelson, Director of Priorities, provides that:

1. All supplies of tin shall be subject to specific allocation by the Director of Priorities and the purposes for which tin is used shall also be specified.

2. No tin may be sold or delivered without specific permission of the Director of Priorities.

3. Future imports of tin may not be sold except to the Metals Reserve Company or other governmental agency.

4. Tin now afloat may not be sold except by special permission of the Director of Priorities.

The only exception to the order is that a distributor may deliver to his regular customers less than 5-ton lots of tin, subject to Priorities Regulation No. 1.

No supplies to those who have plenty

Inventory provisions of Regulation No. 1 will be invoked and no deliveries of tin or tin products will be made to fabricators who have ample stocks on hand.

Purpose of the order is to conserve existing supplies of tin, which is used largely in the canning of food. Practically all our tin comes from Malaya and the Netherlands Indies.

Approximately a year's supply of tin, at normal demand levels, now is on hand in the United States. Careful conservation is expected to make this supply stretch through any possible emergency period. A conservation order, limiting the uses of tin and the uses of tin-lined cans, will be issued within the next few days, it was announced.

U. S. produces little

The United States consumes more than 100,000 tons of tin a year and produces practically none. Bolivian ores to be refined in a new smelter now under construction in Texas cannot supply more than a third of our normal requirements.

According to tin experts in OPM, detinning of cans is an expensive process, but salvage operations in that field may be necessary.

Iron and steel for home cooking appliances cut 35 percent beginning January 1

Use of iron and steel in the manufacture of a wide variety of stoves, ranges and other domestic cooking appliances will be curtailed sharply beginning January 1 under an order issued December 13 by Priorities Director Nelson.

The order calls for an average cut of 35 percent during the period from January 1 to April 30 below the monthly average of iron and steel used in the 12 months ended June 30, 1941.

Between now and January 1, use of these critical materials will be frozen at the level of average daily use during the 12-month base period.

Quarterly saving of 58,000 tons

Producers affected by the order, numbering about 200, used approximately 500,000 tons of iron and steel in the year ended June 30, 1941. The initial curtailment is designed to result in savings of about 58,000 tons in the first quarter of 1942.

Curtailement is based on size of firms, so that many smaller manufacturers located in little Southern towns where no defense work is obtainable will not be faced with too serious a labor displacement problem. The industry as a whole is not well adapted for conversion to arms production, lacking the equipment for precision work. The industry employs approximately 60,000 workers.

Cooking appliances covered by the order include all types of ranges, stoves, hot plates, combination ranges, camp and trailer stoves, and fuel oil conversion range burners, using gas, electricity, coal and wood, kerosene, fuel oil or gasoline, or any combination of coal and wood or fuel oil with gas or electricity.

Companies classed by dollar volume

Companies are classed according to the factory sales value of products manufactured during the base period. The following table shows the percentage cut for each class during the first quarter of 1942:

Class	Factory sales value	Percent cut
A	\$3,000,000 or more	42
B	\$1,000,001 to \$3,000,000	35
C	\$1,000,000 or less	30

Government purchases of cooking appliances obtained on a competitive bidding basis for defense housing are ex-

cluded from the quota, as are lend-lease and certain other defense purchases.

Iron and steel covers banned Dec. 15

Other important features of the order are:

1. Effective December 15, no manufacturer is permitted to use iron or steel to produce cover tops or lids to cover cooking surfaces of cooking appliances equipped with tops or lids containing these materials.

2. Beginning February 1, no manufacturer can use any bright work, bright finish, metal finish, or trim containing copper, nickel, chrome, or aluminum in producing the appliances.

3. Inventories of raw materials, semiprocessed materials or finished parts are restricted to minimum requirements.

4. Manufacturers cannot shift production between different fuel types, except by appeal to the Office of Production Management.

Institutions not affected

The order, which does not affect institutional and commercial cooking appliances and does not cover repair and replacement parts, was drafted by the electrical products and consumers durable goods branch of the Division of Civilian Supply after meetings with industry representatives and after consultation with interested Government agencies.

Urged to reduce number of models

In a letter accompanying the order, manufacturers were urged to reduce the number of models produced, concentrate on those making the most economical use of iron and steel, and adopt conservation measures such as substitutions, redesign, and respecification.

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DISTRICT OFFICE OPENED IN ARIZONA

The Priorities Division of the Office of Production Management announced December 17 the opening of a priorities district office for Arizona, to be located in Room 408, Security Building, Phoenix.

C. S. Jamison will be acting district manager until appointment of a district manager for Arizona is announced.

New preference order liberalizes policy on repair, maintenance, operating supplies

A new order which helps many thousands of manufacturers and producing plants to obtain repair, maintenance and operating supplies was announced December 18 by the Division of Priorities.

The new order is known as Preference Rating Order P-100. It takes the place of the old Repair and Maintenance Order, P-22, which is being revoked.

Main purpose of the new order, as was the case with the old, is to extend priority assistance to manufacturers and producers so that they can keep their plants and production machinery in good running order. This is in accordance with the policy set by the Supply Priorities and Allocations Board.

To clear up misunderstandings

The differences between P-100 and P-22 are largely technical. However, some provisions of the old plan have been liberalized and a number of clarifications have been made in order to eliminate misunderstandings and misapplications of the order which occurred in the past.

The assistance granted by the order is not available for retail operations. It is available, however, to the following:

1. Any governmental unit.
2. Any individual, partnership, association, corporation or other form of enterprise engaged in one or more of the following capacities to the extent that it is so engaged or so acts:
 - a. Manufacturing, processing or fabricating.
 - b. Warehousing—maintaining warehouses for storage or distribution of any material.
 - c. Wholesaling—acting as a distributor of products sold to manufacturers, wholesalers, retailers or other persons not consumers.
 - d. Charitable institutions—any charitable or eleemosynary institution which is recognized as such for purposes of the Internal Revenue Laws of the United States.
 - e. Carriers—urban, suburban, and interurban common or contract carriers of passengers or freight by electric railway, electric coach, motor truck or bus, including terminals of any of the foregoing; railroads, including terminals; shipping—commercial carriers of freight and passengers by ocean, lake, river or canal, including terminals.
 - f. Educational institutions (including vocational training).
 - g. Printers and publishers.
 - h. Radio—commercial broadcasting and communication.
 - i. Telephone and telegraph communication, including wire services.
 - j. Hospitals, clinics, and sanatoriums.
 - k. Petroleum and natural gas—discovery, development and depletion of pools of petroleum and associated hydrocarbons and derivatives thereof, and transportation of petroleum, associated hydrocarbons and derivatives thereof.
 - l. Irrigation systems, whether publicly or privately owned; toll bridges and toll canals.

3. Any person using tools or equipment to repair or maintain the property of any Producer as defined in the Order.

P-100, like the former P-22, continues the policy of protecting the health of the Nation and maintaining necessary services for its businesses and institutions.

Inventory dollar allowance boosted

The former restriction on acceptance of materials for inventory of maintenance, repair or operating supplies by producers using the order has been changed to permit inventory and stores not exceeding 110 percent of the maximum dollar volume of such materials purchased during the corresponding calendar quarter of 1940. The previous figure was 100 percent.

This change has been made to allow for price increases. However, the Order now specifically states that no materials may be accepted for additions to inventories and stores of maintenance, repair and operating supplies until such inventories have been reduced to a practicable working minimum.

Exemption broadened

The restriction on withdrawals from inventory or stores has also been changed to permit withdrawals up to 110 percent of the aggregate dollar volume of such withdrawals in the corresponding quarter of 1940, or, at the producer's option, up to 27½ percent of the aggregate dollar volume of withdrawals during the calendar year 1940.

Producers whose aggregate purchases of materials for maintenance, repairs, and operating supplies do not exceed \$5,000 in a calendar quarter, and whose withdrawals of such supplies from inventory or stores likewise do not exceed \$5,000, are exempt from the restrictions as to purchases and withdrawals. Under P-22 amended (the former order), the exemption was limited to producers whose purchases and withdrawals did not exceed \$2,500 in a calendar quarter.

More aid for overtime factories

Allowances for inventory use will be made for manufacturers operating on an overtime basis as it is realized that overtime or extra shifts consume an abnormal amount of operating consumable supplies and that an extra allowance is necessary for maintenance and repair due to machine fatigue.

It is not permitted to purchase materials under the order for expansion or

betterment of property or equipment. The user in such a case should file form PD-1 when it is necessary to increase the operating capacity of his business. The producer should also use a PD-1 to obtain items that are capitalized and carried on his books as a fixed asset.

The rating cannot be extended by suppliers except to replace materials sold under P-100, and it must not be used to build up stocks in anticipation of filling rated orders.

Ferrous parts for containers

Operating supplies have also been redefined in the new order to include ferrous parts required to manufacture containers. This change will assist producers in obtaining nails, barrel hoops, and other ferrous items necessary in the operation of their business.

A new provision forbids the application of the A-10 rating under P-100 where any other order of the Division of Priorities assigns some other rating to specific uses of a particular material. The purpose of this change is to prevent draining off of a number of materials, chiefly chemicals, for which "ladders of use" have been established by already existing E or M orders. The preference rating assigned by P-100 may not be used to obtain deliveries of any material to be used for purposes prohibited by any order or regulation issued by the Director of Priorities.

Producers and suppliers purchasing metal cutting tools as defined in order E-2-a must use the metal cutting tool certificate of inventory control, stating that the tools on the order will not increase stocks beyond a three-month period.

Users of repair tools get help

Special attention is called to provisions of the order (in B-3) which grant priority aid to:

"Any person using tools or equipment to repair or maintain the property of any Producer as defined."

The above permits welding repair shops, blacksmith repair shops, small machine repair shops and other persons whose business is primarily a repair function to use this Order to keep in working order their own establishments. It also permits such persons to procure the necessary tools and other items consumed in the course of their repair business.

This also applies to the acquisition of mechanics' hand and fine mechanical measuring tools when purchased by a mechanic for use in his capacity as an employee of a plant engaged in defense work.

A mechanic, in order to obtain fine precision measuring tools such as micrometers, calipers, and other tools of this type may sign the P-100 certification by simply stating where he is employed and manually signing his name.

Operating supplies covered by the or-

der include files, hack-saw blades, grinding wheels and any other items abraded and consumed in the operation of the business.

May include office supplies (not paper)

Operating supplies may also include office supplies with the exception of paper products, but if those items are purchased under the P-100 order they must be included in the person's inventory.

Parts such as gears, bushings, and other items incorporated into final products cannot be purchased under P-100. These items can be purchased, however, if the item being manufactured is a repair or maintenance item. Example: a machine manufacturer producing new equipment could not purchase gears for new equipment, but if he had to furnish a repair part including a gear this could be purchased under the order.

A restriction under P-100 is the fact that nonferrous materials cannot be purchased under this Order as packaging supplies.

This order is not applicable to any utility defined in Order P-46 nor to any mine operator as defined in Preference Rating Order P-56.

The provision that the rating shall not be applied unless the material cannot be obtained without its use has been deleted from P-100.

The original copy of purchase orders placed under the terms of P-100 must be manually signed; all other copies must bear the special certification as indicated in the Order. The Office of Production Management requires that one copy be retained for inspection.

Method of use explained

Any plant or business qualified to use the rating can do so without making application for its use. If a manufacturer needs a repair part, for example, he simply places his repair order with a supplier and on the face of the order manually signs the following statement:

"Material for Maintenance, Repair, or Operating Supplies—Rating A-10 under Preference Rating Order P-100, with the terms of which I am familiar."

This constitutes legal use of the rating. Any order so rated must be accepted by the supplier in accordance with the terms of Priorities Regulation No. 1. The supplier may extend the rating in the same manner, if necessary to obtain materials going into the producer's order. Suppliers may use the rating for their own repair and maintenance needs, of course, if they are qualified to do so under the terms of the order.

A supplier who does not physically al-

Contracting officer's signature eliminated in extending ratings to orders under \$500

Because of the outbreak of war and the need for speeding up production, the Division of Priorities moved December 18 to streamline and simplify regulations governing the extension of preference ratings on orders involving less than \$500 worth of material.

Such orders amount to approximately 60 percent of the total number of extensions handled in the field by the Army and Navy contracting officers, although these small orders amount to only about 2 percent of the total dollar value covered by all certificates.

Old system remains for large purchases

Under the previous system a manufacturer who wanted to extend a preference rating had to go to the appropriate contracting officer and have him fill out and authenticate a PD-3 form in order to extend his rating to a supplier.

This system still holds for extensions of ratings in transactions over \$500.

Under the new system, however, a manufacturer who wants to extend an Army or Navy preference rating to obtain material valued at less than \$500 may attend to the extension himself, without the necessity of having a contracting officer go through the previous routine requirements.

This new streamlining privilege, however, may be used only if the material to be obtained with the rating is to be physically incorporated in the finished product covered by the certificate being extended.

ter parts which he supplies to another is permitted to group several orders together so as to purchase in a minimum commercial quantity.

Purchase orders for repair, maintenance, and operating supplies bought under the order must be made up separately from all other orders.

Fuel eliminated

Misuse of the plan may result in punitive action.

Operating supplies have been redefined to eliminate fuel.

Questions about order P-100 should be addressed to the Maintenance and Repair Section, Office of Production Management, Washington, D. C.

To make such an extension, the manufacturer involved will certify on his purchase order the rating applicable, the name of the issuing bureau, the number of the prime contract, and the serial number of the certificate being extended; and will type on the purchase order the wording of Paragraph No. 3 of the PD-3 Form, which reads as follows:

"I hereby certify (a) that the material specified in this Certificate is essential for completion of the contract(s) cited herein, (b) that the specified quantities are not greater than required for said contract(s), and (c) that the specified *Delivery Date(s)* in the Installment Delivery Schedule on the face of this Certificate (or appended hereto) are not earlier than actually necessary for completion on time of said contract(s)."

This endorsement on the purchase order must be signed by the manufacturer but need not be countersigned by a Government official where the amount is less than \$500 and the material is to be physically incorporated, as above described.

Copies of purchase orders so certified must be distributed by the manufacturer as follows:

One to the supplier of the material in question: 1 to the supply arm or bureau of the Army or Navy initiating the prime contract; and 1 to the Director of Priorities in Washington, D. C.

It is hoped that the new system will greatly speed up deliveries on all small purchase orders which, in the aggregate, are vital to rapid defense production.

The new system is described in a telegram sent to Army and Navy field officers.

PD-73 forms on steel plates must be filed despite allocation

Allocation of steel plates does not relieve consumers of the necessity of filing PD-73 forms with suppliers and with the Office of Production Management, the Division of Priorities announced.

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AVIATION FUEL CONTROLLED

Centralized control of all of the Nation's aviation gasoline by the Office of Petroleum Coordinator, as a means of insuring prompt and adequate filling of wartime needs, is provided in orders issued by that office.

PRODUCTION . . .

6 plants turning out tanks, 7th to start; 30 percent of peak expected by January

American tanks have gone into battle on the wastelands of North Africa.

As they roar across the sand under the operation of British forces, these tanks give substantial evidence of the increasing flow of armored vehicles from the Arsenal of Democracy.

Already seven American plants are participating in a tank program for which contracts well past \$300,000,000 have been awarded. By the start of the New Year production of tanks will be going at 30 percent of its peak, and by the end of 1942 tanks will reach a rate of 2,800 a month.

Light model "on schedule"

Production lines of the American Car and Foundry Co. at Berwick, Pa., and St. Charles, Mo., are turning out "on schedule" the fast-moving, hard-hitting light tanks that are brothers-under-the-armor of the ones defending the democratic front in Libya.

In five other American plants and one in Canada, the larger, twice as heavy, medium tank M-3, which military observers have said surpasses any other in mobility and mechanical reliability, is being produced in ever-increasing numbers, doubling monthly figures set early in the fall. By spring the production of medium tanks will be on a considerably larger basis.

Meanwhile a later model is to go into production. The new medium tank will have, among other improvements, a cast steel hull that will replace the majority of riveted plates being used in the production of the medium M-3. Welding will further eliminate the use of rivets.

18 months' progress

Although production of this latest model is expected to begin shortly, its introduction will in no way affect the scheduled flow of medium M-3's.

From spring, 1940, when the first light tank rolled from the production line at the American Car and Foundry Co.'s Berwick plant, to the 1941 Battle of Libya, was only 18 months. But it was long enough for American arsenals to build tanks enough to fill preliminary requirements of the United States Army's five armored divisions and tank battalions and have a considerable number left over for shipment to the British forces.

The story of American tank production is one of long-range planning, by the Army's Ordnance Department, and of speedy, efficient operation by the automotive and locomotive industries.

It was not until the fall of 1940 that large appropriations from Congress became available to put the tank program into operation. Immediately there began a series of transformations from cornfield to tank arsenal; from idle factory to humming production line.

It was to the locomotive industry that the Army first turned for production because many problems of tank construction were more closely associated with it. So it was that with the light tank being produced by the American Car & Foundry Co., four other locomotive plants began turning out medium tanks. These were the Baldwin Locomotive Works at Chester, Pa., the American Locomotive Co., at Schenectady, N. Y., the Pullman Standard Co. at Hammond, Ind., and the Pressed Steel Co. at Chicago. A sixth plant—that of the Lima Locomotive Co. at Lima, Ohio—soon will start its production of medium tanks. In Canada the same medium tank is being produced by the Montreal subsidiary of the American Locomotive Co.

Auto industry is producing tanks

The automotive industry entered tank production last summer upon the completion of the Detroit Tank Arsenal. This huge plant, operated by Chrysler Corporation, is turning out a larger number of tanks than any other single industrial unit. Even this capacity will be enlarged greatly when existing facilities are expanded. Also scheduled for construction are tank arsenals to be operated by Ford and General Motors.

Lessons learned from the battlefields of Europe and Africa are being translated into better armament, more protection, and other improvements for American tanks that already outstrip similar-sized tanks used by other nations. The pressing need for quantities of tanks for Russia and Britain has resulted in higher priorities for the steel and equipment that goes into the manufacture of these vehicles.

The light tanks of the kind now in action in Libya weigh 13½ tons.

50 to 100 percent gain needed, OPM tells machine tool makers; they'll do "everything necessary"

A production increase of from 50 to 100 percent over the 1941 volume was tentatively set for next year by OPM officials at a meeting December 17 with representatives of manufacturers of machine tools making critical items for the armed forces.

Nearly two dozen tool makers talked over their problems with William S. Knudsen, Director General of OPM; William H. Harrison, director of Production of OPM, and members of the Production Division staff. A similar meeting with another group of twenty representatives was to be held December 18.

In reply to Mr. Knudsen's observation that "the heat's on—we are going to demand a great many more tools," the manufacturers pledged to do "everything that is necessary to do the job."

More hours, better spirit reported

The visiting tool makers reported that since the outbreak of war many had stepped up the number of man-hours worked and that there was a "very great difference in the frame of mind" of the men at the machines. This change, it was reported, was toward getting more production in the same length of time.

"We ask all of you men to take another survey, take another look," Mr. Knudsen said. "It's your home, your institutions, that are being attacked. We ask you to give the job another push."

Mr. Harrison estimated that between \$1,250,000,000 and \$1,750,000,000 would be spent for tools in 1942. This would mean a volume half again as large as for 1941 and a "fair possibility it will be double that of this year."

"Machines now on the books for delivery in the future are needed right now—today," he said.

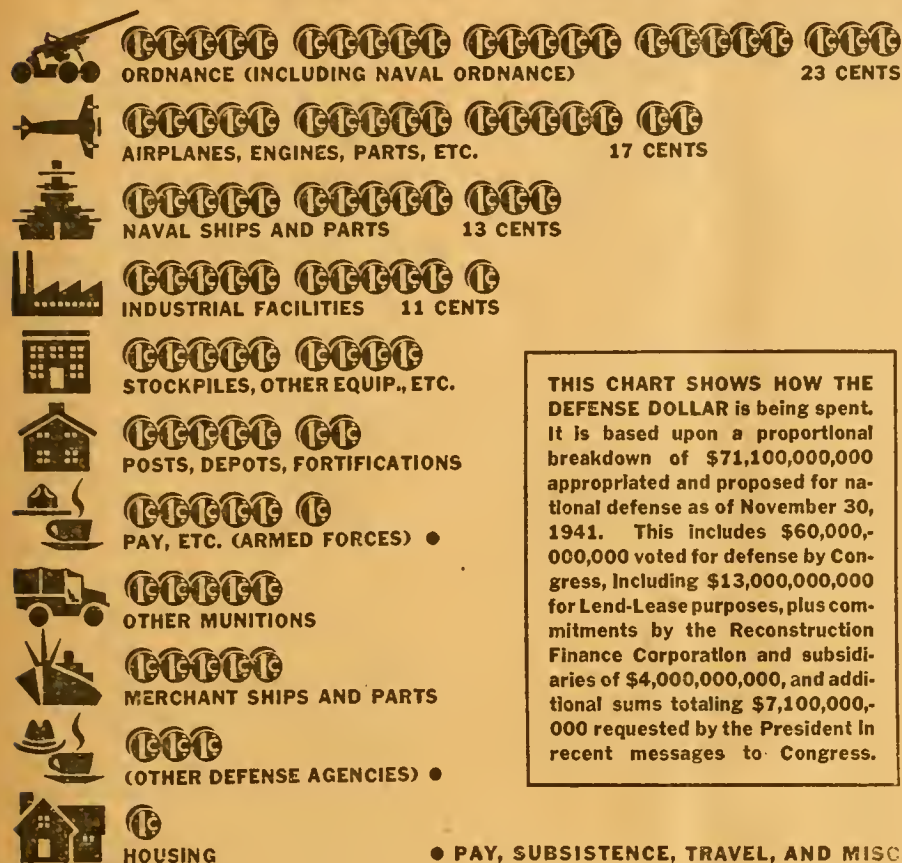
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Spates to direct OPM personnel

OPM announced December 16 the appointment of Thomas G. Spates as director of personnel.

Mr. Spates has been loaned to OPM by General Foods Corporation. He has had approximately 20 years' experience in industrial relations and personnel administration.

HOW WE ARE SPENDING THE DEFENSE DOLLAR



THIS CHART SHOWS HOW THE DEFENSE DOLLAR is being spent. It is based upon a proportional breakdown of \$71,100,000,000 appropriated and proposed for national defense as of November 30, 1941. This includes \$60,000,000,000 voted for defense by Congress, including \$13,000,000,000 for Lend-Lease purposes, plus commitments by the Reconstruction Finance Corporation and subsidiaries of \$4,000,000,000, and additional sums totaling \$7,100,000,000 requested by the President in recent messages to Congress.

First bomber from parts made by auto companies to roll from line months ahead of schedule

The first Army bomber assembled from parts fabricated by the automobile industry will roll from the production line of a new \$11,000,000 plant at Kansas City, Mo., shortly after the first of the year, several months ahead of schedule. Tentative plans had been made for a ceremony to mark the beginning of production in the plant that will make the B-25 two-engine bomber. But the ceremony has been cancelled and time that would have been devoted to preparing for opening exercises will be spent in assembling the first plane. It is expected to be finished ahead of the day set for its coming-out party.

Subassemblies from auto companies

Built and partly equipped by the Government, the plant will be managed by North American. Special jigs and tools were supplied by the company which has its main plant in Inglewood, Calif.

Under the Mid-western bomber assembly program, wing, tail, and other subassemblies will be fabricated in plants operated by automobile companies and assembled in other plants managed by aircraft companies.

Subassemblies for the Kansas City plant will be made in the Fisher Body plants at Detroit and Memphis. These parts will be shipped to Kansas City for final assembly. About 35 percent of the parts, however, will be made from raw materials in the plant there.

Other plants to produce in 1942

Meanwhile, work is being speeded on other plants included in the program under construction at Tulsa, Okla., Fort Worth, Tex., Omaha, Nebr., and Willow Run, Mich. Production is scheduled to begin in 1942.

Four-engine Consolidated B-24 bombers will be assembled in the Tulsa plant. Douglas will be in charge of operation and Ford will furnish the parts. Ford also will make parts for the B-24's to be assembled at the Fort Worth plant under the management of Consolidated, and for the Ford plant at Willow Run.

Chrysler and Goodyear will supply parts for the Omaha plant where the Martin two-engine B-26 bombers will be assembled under the management of Glenn L. Martin.

Self-seal plane fuel tank plant sped by priorities

In order to speed the production of bullet sealing fuel and oil tanks for airplanes, a high priority rating covering the construction and equipping of a plant in Los Angeles has been given the United States Rubber Co.

Self-sealing tanks are part of the equipment of military aircraft and the company has orders to produce a large number of them. With the A-1-d rating given for structural and reinforcing steel, floor mesh, sheet iron and electrical supplies, the plant will be completed before the end of spring.

The special tanks are far superior to the old-type metal containers that leaked when pierced by bullets. Such leaks wasted valuable fuel supplies and often caused fire. The self-sealing tanks constructed of rubber products are designed to close the hole caused by the bullet immediately after being punctured.

Victory production should go on in test black-outs, OCD says

Continuous operation of defense industrial plants, without interruption for test black-outs was urged by the plant protection division of the Office of Civilian Defense December 18, following conferences with Army and Navy officials.

"All industrial plants should progressively participate in black-out drills until such time as they have demonstrated to the responsible local authorities that their plans for black-out are workable and satisfactory," OCD declared.

"When the tests are satisfactory, the plants having defense contracts should no longer be asked to participate. In no case should any plant having defense contracts be required to stop production."

OCD has adopted the policy that industrial plants should not be evacuated. It suggests that every plant should provide temporary places of safety during an actual air raid.

CIVILIAN SUPPLY . . .

Emphasis in rationing will be placed on administration by local people—Henderson

In announcing that tires would be rationed after January 4, OPA Administrator and Civilian Supply Director Henderson told a press conference December 17 that the emphasis would be on neighborhood administration set up through the defense councils. The local boards, he said in response to a question, could be useful also in case other items are rationed.

Mr. HENDERSON. I think most of you have the press release. I'd like, however, to run through it.

"Spread of the war to the East Indies area threatens the future importation of rubber into this country. Approximately 50 percent of crude rubber comes from land areas already occupied or being invaded by the Japanese. Another 43 percent comes from the adjacent Dutch and British Islands of Sumatra, Java, and Borneo, all of which are threatened by the Japanese."

My understanding is that the remaining amount to make up the 100 percent is somewhere in that area and might all have to pass through the Japanese infested waters.

Local administration stressed

Now, that in the handout is intended to compress as much of the mechanics as possible, the general outlines of the plan. What I was anxious to point out in addition to what I feel the complete necessity of taking this step is that really local citizens are the determining agencies for the issuance of such tires as are available. In other words, whether or not a man gets a tire will in the main depend upon his own neighbors and I feel that this is above all and in essence a democratic reliance.

Some tires for new cars

Q. Are you allowing any tires to be made in conjunction with new passenger cars?

A. The available stocks of the automobile companies are not known, but it is obvious that we must allow some equipment in order to do what we are doing with automobile curtailment—permit a gradual tapering off.

Q. Then the exception to this order is that there will be stocks that are existing that may be used to put on new cars that are manufactured in the time from

February on, or any time from January on?

A. Well, we have the automobile allocations which extend up to February 1. I don't know what we will do beyond that point.

SPAB must decide on exports

Q. Will you permit any tires for export?

A. When that question comes up it will have to be resolved by SPAB, in other words, we will treat this question of a limited supply on the same basis that we do a determination by SPAB as to which of the four main claimants are to get the material. As you know, SPAB was intended to represent the Army, Navy, Lend-Lease, and the economic warfare.

Q. It is quite possible that the shortage of tires will limit production of new cars to some extent?

A. It is quite possible. We will have to consider that matter anew next month.

Situation after February 1

Q. Mr. Henderson, while we are talking about automobile production, Sheridan Downey said on the Hill today that he had been advised there would be no passenger car production for civilians after February 1. Is that true to your knowledge?

A. I don't believe a determination has been made.

Q. Is it likely?

A. Well, I think it depends on what the situation is on January 15 when we have our regular meeting. The last meeting I think was on December 12, and I must say that the industry and labor came forward with the suggestion of the additional curtailments for December and January in a very fine cooperative spirit.

Mounting war demands expected

Q. To get back to your figures on rubber here, it seems to indicate that your curtailment has just about cut out that part of the rubber supply that normally went into tires. What happens if the war demands for rubber and all sorts of military vehicles increases, or do you expect that?

A. I expect it, yes, and two things will,

of course, happen. First of all we will meet that demand from the stock pile. That is what we have it for. Secondly, we will keep up as we have been for quite some time, a canvass of the essentiality of all civilian uses of this and other products.

I talked informally with the Army and Navy yesterday as to their specifications, which were made, as you know, at a time when there was no question as to the supply of rubber and we have hopes that we can get some saving out of a redefinition of the specifications.

Question of expanding capacity

Latin American countries claim that if we are willing to pay for it, we can get tremendous quantities of rubber from down there.

There are several potentials, not in the rubber so much as in the raw material like guayule, and these are being canvassed along with all the other questions of synthetic production.

I'd like to point out that each one of these potential expansions also calls for the building of facilities which in themselves use up other critical and strategic materials, that is, we are at a tight supply situation on many things that would go into them—stainless steel and other items. I have no doubt, however, in fact there is every evidence that the possibilities of these alternative supplies will be greatly expedited.

Program based on worst possible future

Q. Mr. Henderson, in this on the first page I notice you point out that a small amount of the balance, aside from non-tire military needs, goes into such products as golf, tennis balls, and so forth, then you say a manufacture of such products can be eliminated entirely. Does that mean that is a decision?

A. Let me put it this way. In canvassing all the items that are imported for civilian account, we have had a very critical analysis made and our program was geared as to what the military situation was likely to be. Now you know just as much as I do as to what the threat to Singapore and the Dutch East Indies is and I indicated that the pessimistic attitude and the drastic position that we have taken is based on the worst possible situation. That if that changes we are in a position to modify what we do on civilian account. We have obviously no commitments, but if we got additional supplies we might consider using a part of that in the maintaining of our stock

pile intact and using a part of the increase to resume production of these items.

Q. In other words, for the time being they are out?

Frankly a rationing plan

A. Well, there is a freeze order covering practically all of this production of rubber products, and again I'd like to say for the rubber manufacturing industry and for the Industry Labor Committee, we had to get them together very hurriedly last week and they were fully prepared, and, in fact, these suggestions that they made were in the nature of helping this situation. I mean, the attitude was extremely fine, although the first people that get hit, of course, with the freeze order or the curtailment order, are the workers. Between the time of curtailment and conversion your civilian using the passenger car has a considerable amount of fat, to put it frankly, to carry them on. This is obviously the time to go into a rationing plan and I want you to notice I have called it a rationing plan instead of thinking of some spiffy title that would disguise the fact that it is a rationing plan. It is one and it is one I have entered into with prayer and advice because I think I know as well as anybody what this step means.

We canvassed all the possibilities as to what would be the danger of alternative plans or of letting this thing go free, but the transportation by means of automobiles is such an essential item in keeping the wheels of this economy going that there was no other course that was available.

The private owner's hopes

Q. What are you going to do about supplying tires to new cars coming off the assembly lines during this period of suspension?

A. They will be supplied. That would cover only about 150,000 at the most, I think, and there is a possibility that the fifth tire will not be from the virgin rubber.

Q. Mr. Henderson, your statement says that sales of new tires to owners of private passenger cars will be virtually prohibited. Does that mean there will be a few permitted, or none at all?

A. Well, virtually means that after we get into our experience with these categories of essential uses for which you can get a coupon, we will determine how much else can be allowed to percolate out. . . .

The essential categories that we have laid out will take on this rationing basis all that we see available for distribution now.

Local tire-rationing boards to be formed; 10 OPA consultants sent to help organize

Machinery for the organization of local tire-rationing boards was set in motion December 19 with the departure to the field of 10 Office of Price Administration consultants who will handle this work in about half of the States.

The local boards are being established through State and local defense councils to handle applications of individuals and companies wishing to purchase new tires under the rationing plan scheduled to go into effect January 5. Frank Bane, director of field operations for OPA, was to meet in Chicago December 20 with a second group of consultants who will direct formation of the local boards in the balance of the States.

The men now in the field and the States in which they will arrange with State defense councils for creation of the local boards include:

Dudley Harmon—executive director, The New England Council, an organization composed of business and governmental officials in New England, will work in Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, and Vermont.

David W. Robinson—director, Interstate Commission on the Delaware River Basin, will work in Pennsylvania and Delaware.

Q. Mr. Henderson, don't you anticipate there will have to be a tremendous increase in motor bus construction? In Washington, probably half the people will go to work on the motor buses.

A. What I anticipate is that even these boards will be taking charge of the situation locally and finding means for the conservation of transportation space and will be urging doubling up and will also be bringing to our attention the crowded situations. In other words, I expect that we will get out of this particular plan not only this rationing of this highly essential item, but that the community which has, as we know, been telling us how eager they are to participate, they will really in this particular happening give us a great wealth of advice and suggestions.

Boards could ration other products

Q. Will these rationing boards be available for any additional rationing we might have to undertake in other scarce materials—products?

A. It will depend on the commodity

Paul Morion—for many years city manager of Lexington, Ky., and Petersburg, Va., will work in Ohio and Michigan. His home is in Alexandria, Va.

Alexander Harris—formerly director of public service, City of Knoxville, Tenn., and for many years vice president and general manager of the Tennessee Marble Co., will work in Alabama, Tennessee, and Kentucky.

L. L. Gravely—formerly mayor of Rocky Mount, N. C.; State Senator of North Carolina; vice president Chinese-American Tobacco Co.; and was for some time general consultant in the Southern States for the National Defense Advisory Commission, will work in North Carolina, South Carolina, Georgia, and Florida.

W. T. Ellis—assistant director of the budget, State of Virginia, and assistant director of the Virginia State Council of Defense, will work in Virginia, West Virginia, and Maryland.

James J. Harrison—chairman of the Arkansas State Planning Board and chairman of the State Council of Defense in Arkansas, will work in Arkansas, Louisiana, and Mississippi.

Formation of local committees in New York and New Jersey will be under the direction of Sylvan Joseph, New York regional director of OPA.

but we expect to get some experience out of this.

Q. I mean, could they serve as general rationing boards for something else?

A. I think they could serve for many items, as a matter of fact, that is one of the considerations that we had in establishing a formal plan.

Q. For all rubber products?

A. Sure.

Companies have some on hand

Q. You talk about 150,000 cars being supplied at the present stocks of tires and tubes. For what period is that? All the way through to February?

A. I made a guess, Al, from what would be manufactured in December and January. I said I didn't know how many they actually had on hand. My impression is that some of the automobile companies have their tires on hand for that amount.

Q. That just covers the allocation for production already authorized under the revised order, that is, the balance of December and January?

A. Yes.

PRICE ADMINISTRATION . . .

Reclaimed rubber ceilings established at November 5 to December 5 levels

Ceiling prices for reclaimed rubber, most important substitute for crude rubber, are established at the levels that prevailed between November 5 and December 5 in a price schedule issued December 17 by OPA Administrator Henderson.

The new schedule was to become effective December 20. Pressure for higher reclaimed rubber prices is growing more acute with the threat to continued crude rubber supplies from the Far East, Mr. Henderson said. OPA has determined after investigation that further price advances will not increase supplies. It is of vital importance to the Nation's war effort, the Administrator added, that substitution of reclaimed rubber for crude rubber be encouraged by keeping the cost of doing so at a minimum.

Has many uses

Reclaimed rubber is made from scrap rubber of all kinds. It is used in a wide variety of products.

In 1940 consumption of reclaimed rubber reached an all-time peak of 190,000 tons, as compared with crude rubber consumption of 650,000 tons. Output and use of reclaimed rubber has expanded sharply this year and is now running at an annual rate of approximately 300,000 tons.

The principal products in which a high percentage of reclaimed rubber to crude rubber is used are such goods as rubber hose, mats, moulded goods, cushions and bumpers, as well as insulation for wire and cable, hard rubber goods, rubber heels, and rubberized fabrics. Reclaimed rubber used in automobile tires varies from little or nothing in first line tires to a fairly high percentage in third and fourth line tires. Despite the low percentage use of reclaimed rubber in the average tire, the overwhelming importance of tire production in the rubber industry makes this product the major consumer of reclaimed rubber.

On and after December 20, according to the new schedule no sales of reclaimed rubber may be made at prices higher than the maximum price level that obtained between November 5 and December 5, 1941, for reclaimed rubber of the same grade, quality, and comparable amount.

Every person who sells reclaimed rub-

ber is required to file with the Office of Price Administration on or before January 15, 1942, complete price lists for the period between November 5 and December 5 and a record of the prices he actually received for all reclaimed rubber sold during that period. Affirmations of compliance must be filed on or before January 10, 1942, and monthly thereafter by all persons who make any sales of reclaimed rubber during the preceding month whether for immediate or future delivery.

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10 rules to make tires last

Inaugurating a Nation-wide rubber conservation campaign, the Office of Production Management today called upon the country's 27 million car owners to observe 10 rules to make tires last longer.

1. *Have worn tires retreaded instead of buying new ones.*—Cost of retreading tires is usually about half that of a new tire, and will give you about 80 percent as much wear.

2. *Cut out high speeds.*—Your tires will last twice as long at 40 miles per hour as at 60 miles per hour.

3. *Inflate tires weekly to recommended levels.*—Never let pressure fall more than 3 pounds below recommended minimums.

4. *Don't stop short or make jack-rabbit starts.*—Every time you ignore this rule you burn up the tread.

5. *Avoid striking curbs, road holes, rocks, etc.*—This can result in broken cords or blowouts. Drive slowly and carefully over paved roads.

6. *Check wheel alignment twice a year.*—Misalignment causes scuffing and uneven wear. A tire a half inch out of line will be dragged sideways 87 feet every mile.

7. *Repair all cuts, leaks, breaks, promptly.*—Delay may cause damage that can't be repaired. Breaks and cuts should be vulcanized whenever possible; blowout patches should only be temporary.

8. *Change wheel positions every 5,000 miles.*

9. *Always get the tire made to fit the rim of your car.*

10. *Don't speed around curves.*

Two U. S. sellers of guayule rubber asked not to raise prices over those of December 6

The two principal American sellers of guayule rubber—the Intercontinental Rubber Co., and American Cyanamid & Chemical Corporation—were asked December 16 by OPA Administrator Henderson to refrain from raising prices above those prevailing on December 6.

Increase demand for other types

Guayule rubber is secured in small quantities from a shrub grown in Mexico and California. In letters to presidents of the two companies, Mr. Henderson pointed out that continuity of imports from the Far East, our principal source of crude rubber, is threatened and that as a result the demand for other types of rubber will be greatly increased. The letter read in part:

It is of vital importance to the Nation's war effort that this process of substitution should be facilitated in every possible manner and that the cost of such substitution be held to a minimum. In view of this fact, I request that your company refrain from advancing the price of guayule rubber beyond the level prevailing on December 6, 1941.

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Carbon black price rise allowed; costs no longer absorbable

Because of cost increases which have gone beyond the point where they could be absorbed by a relatively depressed industry and because of reduced revenue from export sales, producers of carbon black are being permitted to raise prices by slightly less than 5 percent above present levels on deliveries made beginning January 1, 1942, OPA Administrator Henderson stated December 16.

Carbon black is produced from natural gas by 3 large and 14 smaller companies. Approximately 85 percent of the output is used in the production of automobile tires. The balance is used largely in the manufacture of ink, paints, and plastics.

Prices on standard domestic grades which may be charged beginning January 1 are as follows:

Ordinary carbon black in bulk, 3.30 cents per pound; carbon black in bags, compressed or dustless, 3.55 cents per pound; carbon black in light bags, suitable for ink or paint, 3.625 cents per pound.

700 paper product makers asked not to raise prices without notifying OPA

More than 700 makers of a long list of converted paper products, ranging from envelopes to drinking straws, have been asked not to raise prices above December 15 levels without 1 month's advance notice to OPA, Administrator Henderson announced on that day.

The request was contained in letters telling manufacturers that any notice of a price increase should be accompanied by a "detailed factual statement of the reasons believed by you to justify the proposed increase, including quarterly profit and loss statements and balance sheets for the current year." Mr. Henderson also asked for price lists in effect since 1936, including discounts, and financial statements from that year through 1940.

Products affected by the December 15 request include: envelopes; drinking straws; tags; gummed paper; cups and liquid-tight containers; glazed and fancy papers; dishes, spoons, and plates; lace paper; milk caps, sanitary closures, and paper milk containers; and tissue products, such as toweling, napkins, patterns, crepe paper, and facial paper.

A similar letter, asking for a month's advance notice prior to any proposed increase over December 1 prices, was sent last week to more than 100 manufacturers of waxed paper.

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Prices stabilized for 4 grades of kraft paper

Stable producer prices for four grades of kraft wrapping and bag paper are assured for the first quarter of 1942 as result of individual agreements reached between the Office of Price Administration and 16 principal manufacturers, OPA Administrator Henderson announced December 15.

Under the agreements, producers will not charge more than 4¾ cents a pound for "imitation kraft" and "standard kraft" wrapping paper, nor more than 5 cents a pound for "No. 1 kraft" wrapping paper. Standard kraft bag paper, it was agreed should not sell above \$87.50 a ton.

For other types of kraft paper the producers agreed to retain the price differentials in effect during the period immediately preceding July 1, 1941.

Waste paper amendments shift 2 prices, add 4 new grades; other changes

Several important changes in Schedule No. 30 dealing with waste paper prices were announced December 16 by OPA Administrator Henderson. One increase and one decrease in the maximum prices for two grades of waste paper, abolition of one grade, addition of four new grades and several changes in language are included in the new amendment.

The maximum price for "No. 1 mixed paper" is raised by \$1 to \$14 a ton. The new amendment also abolishes the separate grade for "super-mixed paper" and the definition of "No. 1 mixed paper" is revised to cover types formerly classed as super-mixed. The new definition includes, among other items, dry-goods waste, department-store waste, printers' waste, container manila, print manila, country packing and so forth, in addition to the "clean, dry wastepaper" previously defined as "No. 1 mixed paper."

Maximum prices for 4 new grades

Second, the new amendment establishes maximum prices for four additional grades of waste paper not previously covered. The new grades and their price ceilings per ton are: Manila tabulating cards of plain manila color, free from ground wood, \$45; colored manila tabulating cards, free from ground wood, \$30; ground-wood manila tabulating cards of plain manila color, \$27; and ground-wood manila tabulating cards, colored, \$20.

Third, the maximum price for the "new 100-percent-kraft corrugated cuttings" grade has been reduced from \$49 to \$45.

Fourth, the amendment changes the definition of "new corrugated cuttings" by eliminating kraft cuttings. The new definition limits this grade to jute corrugated cuttings. Definitions of several other grades of waste paper have been clarified.

Additional charge for transportation

Fifth, the amendment permitting a maximum additional charge by jobbers or producers of \$1 a ton for loading on freight cars has been revised to make it clear that only the actual cost per ton of transporting waste paper from the seller's door and loading it on freight cars or barges may be added to the maximum prices established by the schedule and that in no case may this extra charge exceed \$1 a ton. A provision permitting jobbers or producers to charge the actual

cost of transporting waste paper for export to the ship on which it is to be loaded and baling it for maritime handling is also added. The maximum additional charge allowed for this service is \$3 a ton.

Must keep records

Sixth, in no case may any jobber or producer charge for the costs of transporting and loading waste paper on freight cars or barges, or for transportation to ships for export, unless he has kept the records required by Section 1347.4 of the Schedule and filed the affirmation of compliance required of him by Section 1347.5. A jobber is also prohibited from charging a jobber's allowance unless he has met these two requirements. Though not a requirement of the schedule, a written statement by the jobber or producer making such a charge on the invoice or otherwise that he has kept the records and filed the affirmations of compliance required by the schedule, will afford protection to the buyer, Mr. Henderson stated.

Seventh, the amendment limits allowance for tare in all instances to not more than 2 percent of the gross weight per bale of waste paper.

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Restore old flashlights, Henderson urges

Take a look around the attic, make a tour through the cellar, and find that old flashlight that can be made to work again for a few cents, Leon Henderson, Director of the Division of Civilian Supply, recommended last week.

Disturbed by reports that thousands of Americans are trying to buy new flashlights, Mr. Henderson obtained from one of the country's largest manufacturers a survey which showed that a vast majority of families need not fear blackouts if they will only put discarded flashlights to use.

"I am told," Mr. Henderson said, "that 70 percent of the families of this country possess one or more flashlights. Millions of these flashlights are forgotten, apparently—tucked away in the attic or the cellar.

News for Consumers

Seattle Fights Inflation

The outbreak of war heightened consumer problems in many communities throughout the Nation as unfounded rumors of shortages brought consumer hoarding and rising prices in their wake.

One such locality was Seattle, Wash., a Pacific Coast defense area where there has been a great expansion of aircraft and shipbuilding industries, with resulting housing shortages, rent raising and price boosting. In Seattle the first news of war was followed by runs on flour and sugar, price increases of essential commodities, and profiteering in black-out materials.

On Monday night, December 8, heavy buying of flour kept groceries open in several sections of the city. About 9 in the evening, one group of stores raised the price of a 49-pound sack of flour from \$2.15 to \$2.30.

Two consumers who were in the store at the time reported this on the following morning to Mrs. Edward H. Lauer, consumer representative of the Seattle Defense Council.

Mayor Obtains Reduction

Consumer representatives conferred with Seattle Mayor Earl Millikin, the price increase was confirmed, and the store manager agreed to withdraw it. The price dropped back to a level of \$2.10 for this brand of flour. Prices in many other stores stayed at \$2.15, though some advanced to \$2.25.

Meanwhile wholesale flour prices began to rise. Flour millers advanced their price of flour 40 cents a barrel on Monday, and one miller announced a further increase of 40 cents two days later. (Wholesale flour prices in Seattle had already increased almost 50 percent since September 1, 1939.) In the face of this increase, the consumer representatives and the mayor received assurances from chain grocery managers that they would not raise the price of their present stocks.

The Mayor made requests through the press and radio that prices be held steady during the emergency. A telegram from the OPA, in support of this plea, cited President Roosevelt's assurance that there were adequate food stocks. The OPA wire stated that advance buying should not be resorted to, and that there was no justification for the raising of prices.

Uniting to fight the problem of rising

prices, Seattle women representing State and local women's organizations met on December 13, to form the Seattle Consumer Representatives Council.

Many Groups Represented

Among those present were members of women's clubs, labor union auxiliaries, welfare and professional societies.

Mrs. Frederick Davidson, State president of the League of Women Voters, was named chairman of the group.

Mrs. Bertram Thomas, State president of Federated Women's Clubs, and chairman of the consumer interest division of the State Defense Council, outlined plans for State-wide action.

Price-Reporting Service Set Up

A price-reporting service was set up whereby women throughout the city could report price increases for investigation.

A committee was appointed to call upon millers, wholesalers and retailers of flour, asking them that prices hold steady on a wholesale level and that retailers make only their customary mark-up.

A resolution was passed condemning profiteering in black-out goods. The resolution cited an instance where black yardage goods increased from 50 cents to \$1 a yard overnight.

Women were asked to report increases in sugar prices above the December 6 level. Note was taken of the OPA action on wholesale prices of coffee, tea, pepper and fats and oils, and wholesalers and retailers were requested to sell present stocks at pre-war prices.

Flashlights

Elaborating on OPA's request that householders refrain from unnecessary purchase of flashlights, the Consumer Division has released the following information on methods of conserving flashlights and batteries:

1. The purchase of flashlights when they are not needed wastes plastics and electrical material which are needed for the Victory effort. Scour the basement and attic for flashlights which can be rehabilitated. A flashlight consists of three main parts—case, batteries and bulb—with reflector, lens, switch and other minor parts. Any one of these may be damaged in an old flashlight, or new batteries may be needed. Bring the flashlight into an electrical supply store,

a hardware store, or a 10-cent store, where parts may be bought separately. The girl behind the counter can help restore the flashlight to use.

2. Do not stock up on batteries. Batteries lose power as they stand, and it is useless to attempt to stock up beforehand. Buy only as your old batteries wear out.

3. Heat reduces the life of the battery. Keep the flashlight where it will not be near heat or hot water pipes. Moisture also is destructive of batteries. Like canned goods, the flashlight should be kept "in a cool, dry place."

4. The flashlight will find its greatest use in the home. It may become necessary to use the flashlight out of doors, but this is to be guarded against as defeating the purposes of blackout. In England during black-outs, pedestrians are allowed the use of small flashlights with dark red transparent materials (like cellophane) or with several sheets of paper pasted over the lens, so that only a very tiny glow is emitted. And the flashlights are pointed down when out of doors—never up.

5. If you do not use the flashlight often, check occasionally to make sure the batteries are in good condition.

If your and your friends' storerooms fail, and you find it necessary to go out to buy, keep the following rules in mind:

1. Buy a flashlight with fresh batteries that are cheap and easily replaceable. Do not buy trick, novelty, or freak flashlights (pencil affairs, flashlights concealed in compacts, etc.) as these are not economical in the long run, and batteries are not so easy to get. Buy a standard type. Small flashlights which use one or two regular-size batteries are preferable to large, powerful ones, which use up critical materials in greater quantity, give unnecessarily powerful light, cost more in upkeep (batteries) and repair, and constitute a hazard to black-out, in that the light may penetrate black-out curtains and guide enemy aircraft. Look for an inexpensive case with good batteries and bulb. "De Luxe" cases and focusing features are not essential and cost more.

2. A flashlight that will stand by itself on the table or floor is preferable to one that must be supported or held in the hand.

3. In most cases the manufacturer will have a bulb in a flashlight that is adapted to that particular flashlight. Make certain, however, that the bulb is not high-current, as such a bulb will throw an unnecessarily high light and will drain the batteries more quickly.

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Economic Defense Board now Economic Warfare

Vice President Wallace announced December 18 that the name of the Economic Defense Board has been changed to the Board of Economic Warfare, by Executive Order No. 8982, of Dec. 17.

Kapok prices under ceiling at pre-war levels

Kapok, a Far Eastern vegetable fiber used in life jackets, sleeping bags, and other articles of military and civilian importance, is brought under a price ceiling at levels prevailing between November 15 and December 6 in a new schedule issued December 19 by OPA Administrator Henderson.

About 90 percent of the kapok used in this country is imported from the Netherlands East Indies. The remainder comes from South America, the Philippine Islands, and British India. In the 12 days following the outbreak of war, kapok prices have risen around 12 percent, reflecting fears of a shortage. Further price increases cannot bring out additional supplies in any great quantities, Mr. Henderson stated.

The present schedule becomes effective December 22. Like others issued recently affecting imported commodities, it is temporary in character. After the completion of studies of the situation and accumulation of additional data, a longer range program will be developed.

Sellers of kapok are required by the December 19 schedule to file with OPA by January 10, 1942, the details of all sales and deliveries made between November 15 and December 6. Records must be kept of all further sales and of inventories on hand at the end of each calendar month.

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Dan A. West appointed deputy director of Consumer Division

Appointment of Dan A. West as deputy director of the Consumer Division of the Office of Price Administration was announced December 16 by Administrator Henderson.

Mr. West will conduct the program of the division under the general direction of Mr. Henderson.

Prior to joining the Consumer Division, Mr. West was in the wholesale and retail food business in the States of Washington and Oregon and was president of the West Dependable Stores of Washington, operating 20 units in that State.

Harriet Elliott on advisory council

Mr. Henderson also announces the appointment of Miss Harriet Elliott and Dr. Mabelle Blake as members of the director's advisory council in the Consumer Division.

News for Retailers

Price request on 7 types of consumer goods

Manufacturers in seven important consumers' durable goods industries—china, glass, lamps, lampshades, clocks, watches, and silverware—have been asked by OPA not to raise prices on current items above the levels prevailing December 1, 1941, Administrator Henderson announced December 19.

Letters to manufacturers in these industries state that programs regarding prices of their products are being developed and that assistance and cooperation of the companies involved is hoped for by OPA.

The letters read in part:

While our study is in progress, we urge you not to increase your prices on current items above the levels prevailing on Decem-

ber 1, 1941, and to price new items at the same relative level. In cases where you feel it impossible to comply fully with this request, we also ask that you inform us of contemplated price changes and of the prices of new items well in advance of their effective date. May we have an expression of your willingness to cooperate with our request as soon as possible?

Rubber soles, heels

Manufacturers of rubber soles and heels were requested December 20 by OPA Administrator Henderson not to raise prices above present levels, pending the results of a price study now being made by his office.

Manufacturers are asked to refrain from modifying discount schedules, and to notify OPA in advance of any contemplated changes in size, design, style, or proportion or quality of materials used which might affect the quality of rubber soles and heels.

Fort Dodge, Iowa, firm admits violations of steel scrap schedule, refuses refunds

Profiteering at the expense of America's war effort was denounced December 19 by OPA Administrator Henderson, as he cited publicly the Fort Dodge (Iowa) Iron & Metal Co. as a "frequent and persistent" violator of the OPA iron and steel scrap maximum price schedule.

The Fort Dodge firm is the third important middle western dealer in iron and steel scrap to be publicized by OPA to other Government agencies, to the industry and the public for flagrant violations of the ceiling on iron and steel scrap within the last 2 weeks. The two other dealers were the Capital Iron & Metal Co. and the Pioneer Iron & Metal Co., both of Oklahoma City, Okla.

Most buyers, sellers cooperating

"America is fighting for its life and for its future," Mr. Henderson said. "We need every pound of steel we can produce for the weapons with which to fight. Steel is the backbone of war production and scrap is a vital raw material of steel. Any person who deliberately tries to profiteer in scrap at such a time does so at the expense of the safety and welfare of his country."

"There are few members of the iron and steel scrap industry who are thus attempting to exploit their country's danger. Most of the buyers and sellers are loyally cooperating in our country's

war effort and with the terms of the price schedule, by which we seek to assure an orderly and sufficient flow of scrap to the consuming mills at fair prices. But those who do profiteer deserve public exposure and condemnation. America at war has no place for such profiteers."

Admit violations, refuse refunds

The repeated violations of the iron and steel scrap schedule by the Fort Dodge Iron & Metal Co. were unearthed by OPA field investigators. The partners of the firm, Sidney R. Robinson, Arthur Robinson, Tom Robinson, and Hyman Robinson, all of Fort Dodge, were invited to Washington to explain their actions. They did not appear. A second invitation was extended and finally one of the partners, accompanied by an attorney, presented himself. Although they admitted the violations they refused to refund what had been paid them in excess of what they should have received under the ceiling, nor would they agree to comply with the schedule.

Notice of their proved and admitted violations of the schedule has been given to the Office of Production Management, to other Federal agencies, and to Iowa authorities for further action. OPA itself also will take additional measures to enforce compliance.

Jobber, dealer, distributor-sized resales of iron, steel products put under ceiling

All resales of iron and steel products in quantities normally handled by jobbers, dealers, and distributors are brought under a price ceiling at levels prevailing April 16, 1941, in a new price schedule announced December 15 by OPA Administrator Henderson.

Almost every stage now covered

Taken in conjunction with Price Schedule No. 6, which applied to sales by primary producers, the December 15 action means that maximum prices now have been established by OPA for iron and steel products at virtually every stage of distribution—mills, warehouses, jobbers, distributors, dealers, exporters, agents, and brokers.

To end profiteering

"Object of the new schedule is to end the profiteering which has developed in certain quarters of the steel distribution trade and which is threatening to disrupt the entire steel price structure," Mr. Henderson stated.

"Jobbers, dealers, and distributors of iron and steel play an important part in American industry. Through them, manufacturers and other users of steel are able to obtain a great variety of products in comparatively small quantities. Many small businesses filling contracts directly or indirectly connected with the victory program are entirely dependent on the distributing industry for their supplies of steel.

"Because the nature of their business requires them to maintain extensive stocks in their warehouses and to be prepared to make quick deliveries, distributors' prices always have reflected the special character of their services.

Leading jobbers have cooperated

"When maximum prices were established by my office several months ago for iron and steel products sold by the primary producers, it was expected that jobbers, dealers, and distributors would keep their prices in proper relation. The leading jobbers have cooperated admirably, but certain others have profiteered. Manufacturers urgently in need of steel have been forced to pay prices from 50 percent to 200 percent and more above normal.

"Here are typical excerpts from complaints received by my office:

"... Since January 1 of this year sheet metal prices have been increased

by the jobbers about 7 times. The price to them from the mill has not been increased. This is plain unadulterated profiteering and is causing a complete upheaval in the sheet metal using industry. . . ."

"... Within the last 10 days the prices here in ----- have increased 100 percent on sheet metal. . . ."

"There are many others, some citing increases of as much as 270 percent above the mill price.

"In many instances 'seconds,' 'wasters,' and 'rejects'—steel containing imperfections—and used steel have been sold at prices well above those which should be charged for steel of first grade.

Severe hardship on purchasers

"Carload lots bought from producers at or under the OPA ceiling are being sold to manufacturers at warehouse prices ranging from \$20 to \$30 a ton above the mill price, yielding to the distributor inordinate profits and imposing severe hardship on the purchasers, many of whom are working on defense orders.

"Effect of this profiteering has been to offset in large part the cooperative efforts of the steel industry and OPA to keep steel prices stable, an objective that must be attained if our war effort is to be successful and if we are to avoid runaway inflation."

SCOPE OF SCHEDULE BROAD

Both schedules, No. 6 and the latest, No. 49, use the same ceiling date, April 16, 1941, and the same list of iron and steel products. However, in addition to "prime" products, the resale schedule covers "seconds," "rejects," and "used" products.

While the maximum resale prices are intended to apply primarily to jobbers, dealers and distributors of iron and steel products, the schedule forbids a resale by anyone at a price higher than the ceiling.

This provision extends the scope of the schedule over various businesses which distribute iron and steel products in the course of their general operations. Plumbing-supply houses, hardware jobbers and dealers, industrial supply firms, oil field suppliers and mail order houses are in this category.

To exclude resales of small quantities by hardware stores and other retail outlets, the schedule provides that the maximum prices do not apply to sales of iron and steel products by retail merchants in quantities smaller than those which jobbers, dealers, or distributors normally deal in or quote prices on.

For example, sale by a hardware store of a few pounds of nails out of an open keg, or of a short length of pipe, or of a small amount of wire fencing out of a broken bundle are exempted from the maximum prices. However, should the needs of a customer of this same hardware store call for a full keg of nails, a standard length of pipe, or an unbroken bundle of fencing, the store must not price the sale at more than the OPA schedule allows.

Individuals or companies possessing stocks of steel must conform to the price ceiling upon any resale.

HOW PRICES ARE FIGURED

To achieve its objective of establishing the resale ceiling at April 16 levels, the schedule uses the price lists for heavy line and merchant wire products publicly circulated in the trade by leading distributors in 23 cities or metropolitan free delivery zones. These are termed "listed cities." Separate sections explain the methods by which maximum prices are to be computed under various circumstances, such as sales on the Pacific Coast or for export, and for specific products, such as nails, annealed smooth wire and galvanized smooth wire, pipe, and tubing.

A seller located in any city or free delivery area may not charge more for an iron or steel product than he charged on April 16, 1941. However, sellers in "listed cities" whose April 16 prices were below those of the published listed prices applicable to such "listed cities" may apply to OPA for permission to adjust their prices upward to the "listed prices."

Provisions are made to calculate maximum prices for sales in places other than the "listed cities"; for sales by persons having no prices on April 16; and for "dislocated tonnage." "Dislocated tonnage" is a term applied to sales in areas not normally served by a particular distributor, but which he is now serving because of the emergency.

PACIFIC COAST, GULF PORTS, AND EXPORT SALES

In the case of resales in the Pacific Coast States of California, Oregon, and Washington, the schedule permits the addition of 35¢ per hundredweight to the April 16 prices for a restricted list of products. This is designed to overcome transportation problems created by the shipping shortage. Pacific Coast sellers are required to file with OPA information on tonnage received both by rail and by water for the first and third quarters of 1941. Forms will be provided for this purpose.

Until the collection and analysis of adequate data no special provision is made for sellers located in ports on the Gulf of Mexico, which also are affected to some extent by the shipping shortage. Forms designed to provide OPA with the information necessary to arrive at a decision will accompany the schedule to sellers at these points.

Export sales, it is stipulated, shall not be priced above the applicable maximum domestic price, f. a. s. the port of shipment. However, on sales made by export brokers, an addition of \$3 a net ton is permitted on less-than-carload quantities. Limited extra charges for packing are allowed.

NAILS, WIRE, PIPE, AND TUBING

The schedule contains a formula for computing the maximum delivered prices for standard wire nails, annealed smooth wire, and galvanized smooth wire. Under this formula, in the city or free delivery area in which the seller is located, he may charge for less-than-carload lots the mill carload price after deducting the regular jobber allowance of 15¢ per cwt. plus (a) carload freight from mill basing point to warehouse and (b) one of the following: for standard wire nails, 50¢ per cwt.; for annealed smooth wire, 60¢ per cwt.; for galvanized smooth wire, 68¢ per cwt.

To arrive at maximum selling prices for less-than-carload quantities of these products at any other place, the seller is instructed to use the lowest delivered price that is the result of the less-than-carload price (as computed above) of any seller located in any "listed city" plus the less-than-carload freight from such "listed city."

Maximum delivered prices for all other merchant wire products, it is stated, shall be computed on basis of April 16 prices. Jobbers and dealers shall charge the same extras on merchant wire products as regular

published mill extras in effect on April 16 and shall grant customary deductions on the same basis. A special form will be sent to dealers in merchant wire products on which they shall file required price information.

Separate methods are set forth in the schedule for calculating ceiling prices for the following pipe and tubular products: Standard pipe, seamless pipe, water well casing, large O. D. pipe, line pipe, wrought iron pipe, oil country tubular goods, boiler and other pressure tubes, and cold drawn seamless and other mechanical tubing.

Tool steel ceiling prices are based upon those listed in the April 16 price list of Crucible Steel Company.

CARLOAD PRICES LIMITED

To bring to an end the profiteering that has taken place on resales of iron and steel products in carload lots, the new schedule provides that prices in excess of mill prices established in Price Schedule No. 6 (Iron and Steel Products) shall not be charged for direct mill shipments of any quantity of iron or steel products; for shipments of any quantity diverted from delivery to warehouse; or for shipments of any quantity not put through the operation commonly known as "warehousing."

Carload shipments out of warehouse stock made up of a variety of items shall not be sold above the maximum delivered price for a 500-pound quantity, minus a discount of not less than \$7 per net ton.

Mixed carloads of merchant wire products, however, cannot be sold above the published mill base prices set forth in Price Schedule No. 6, but sellers in this case are allowed to retain the regular jobber allowance given by mills. A similar provision is made for sellers of mixed or straight carloads of pipe and tubular products, with a special exemption for sellers of oil country tubular goods out of distributors' stocks.

RECORDS, COMMISSIONS, AND FORMS

Records on any sales of 40,000 pounds or more of any wire or steel products to a single customer in any calendar month must be filed with OPA on or before the 15th day of the following month. This record must include a sworn statement giving the names and addresses of the buyers, the product and quantity sold, and the price for each quantity.

Commissions in effect on April 16, 1941, may continue to be collected by brokers, agents, etc., except that such commissions must not increase the selling price above the OPA ceiling.

Mr. Henderson stated that copies of the schedule and the various forms required to be filed under its provisions would be mailed to jobbers, dealers, and distributors within the next few days.

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CANNING SUBCOMMITTEE

The Bureau of Industry Advisory Committees announced, December 18, the formation of a technical subcommittee on conservation, substitution, and simplification for the fruit, fish, and vegetable canning industry advisory committee.

Committee members are:

Carl Scudder, John S. Mitchell, Inc., Windfall, Ind.; Henry P. Taylor, Taylor & Caldwell, Inc., Walkerton, Va.; Harold Humphreys, Snyder Packing Corporation, Rochester, N. Y.; H. F. Cannon, H. P. Cannon & Son, Inc., Bridgeville, Del.; H. M. Riley, H. J. Heinz Co., Pittsburgh, Pa.

OPA lists approved prices for zinc oxide, effective Jan. 1; will ask producers to agree

A list of maximum prices for all grades of zinc oxides to which producers will be asked to agree individually was made public December 16 by OPA Administrator Henderson. These prices are to become effective January 1, 1942.

The proposed agreement is now being drafted and copies will be sent to producers for acceptance in the near future.

Zinc oxide is a pigment with a great variety of uses, ranging from printers' ink to adhesive tape. Industry use, in the order of consumption, is as follows: Rubber, paint, ceramics, floor coverings, and textiles.

The OPA-approved ceiling prices per pound for the various grades of zinc oxide delivered in bags in carload lots are as follows:

Lead-free American process oxide, 7.25 cents.

Leaded zinc oxides containing 35 percent or more lead, 6.75 cents.

Leaded zinc oxides containing less than 35 percent lead, 7.125 cents.

Lead-free French process oxides, other than U. S. P., made from slab zinc or secondary metal (including any oxides made partly from slab zinc, partly from secondary metal), 9.50 cents.

NOTE.—The price as announced for these French process oxides is the maximum price for all grades other than U. S. P. and the producers may wish to sell their less select grades at appropriate differentials below the maximum price.

French process U. S. P., oxide, 10.50 cents.

To determine the maximum prices for any other oxides which customarily have sold below the price of lead-free American process oxide, producers should deduct from the new "American process" price a differential at least as large as that which prevailed on October 1, 1941.

To the foregoing maximum prices may be added ¼ cent per pound for less-than-carload lots.

½ cent more on West Coast

Sellers on the West Coast—California, Oregon, and Washington—may add ½ cent a pound to any of the maximum prices. In the case of less-than-carload sales on the West Coast, the ceiling prices may be applied f. o. b. warehouse, instead of on a delivered basis. Excluding this single exception, all of the OPA-approved prices are delivered prices.

For oxides sold in barrels, ¼ cent a pound may be added to any of the prices.

Nickel scrap dealer willing to refund excess over ceiling

The first refund under action taken to enforce maximum ceiling prices on nickel scrap was announced December 16 by OPA Administrator Henderson.

An important dealer in New Jersey has agreed to refund amounts received in excess of the maximum prices on Monel metal (nickel) scrap established in Price Schedule No. 8. This dealer sold scrap to a consumer, who needed it for defense orders, on a contract made at the speculatively high price levels prevailing before establishment of the ceiling on June 2. No permit had been sought or obtained for completing the contract at the inflated prices it called for.

Mr. Henderson stated that action was taken on basis of the language of Schedule No. 8 which specifically stated that after June 2, 1941, no person without special permission could either sell or buy nickel scrap or the related scrap materials covered by the schedule at prices higher than the maximums, "regardless of the terms of any contract of sale or purchase, or other commitment, entered into prior to such date."

Ferrochromium makers agree to use of lower grade ores

All American manufacturers of ferrochromium, meeting in Washington December 16, voluntarily agreed to changes in specifications which will permit the use of lower-grade chrome ores and conservation of higher grades, OPM announced December 17.

Present specifications of 68 to 69 percent chromium, 4 to 6 percent carbon and 1 to 2 percent silicon will be changed to 60 to 63 percent chromium, 6 to 8 percent carbon, and 4 to 6 percent silicon, by the agreement.

The agreement affects the type of ferrochromium used in making engineering steels running up to about 3 percent chromium and does not affect stainless steel and heat-resistant alloy steels in which a larger amount of chromium is used.

The new specifications are a return to those in common use 20 years ago and are approximately the same as the ones in use during the World War.

The Orient has been supplying about 30 percent of our annual supply.

Temporary ceilings to be set on wide variety of textiles, finished products

Price schedules setting temporary ceilings at levels prevailing prior to December 6 on a wide variety of textiles not now subject to price control are being prepared by the Office of Price Administration and will be issued as soon as possible, OPA Administrator Henderson said December 17.

Purpose of the schedules is to call a quick halt to steady price advances which have occurred in many types of textiles since the war, and to stabilize prices while definitive price schedules are being developed.

Apply at all levels except retail

The schedule on wool goods will forbid any person to sell at prices higher than those which were reached between October 1 and December 6, 1941, while the schedules on all other types, including rayon and cotton, will forbid sales at prices higher than those reached between November 1 and December 6, 1941.

The ceilings will apply at all levels of production and distribution except the retail level. The maximum prices estab-

lished by the schedules will apply to all deliveries made after their effective dates. Mr. Henderson stressed that no contracts should be entered into pending issuance of the temporary schedules at prices higher than the maximums reached in the base period.

Not to cover garments

In case of goods which were not offered for sale during the base periods, the schedules will require that prices be in line with those then prevailing on substantially similar goods.

The schedules will be unique in that they will mark the first entry by OPA into finished textile products such as blankets, towels, table cloths, sheets, and pillow cases. In addition, the schedules will cover woolen goods, cotton grey goods not now under ceilings, cotton finished goods, rayon grey goods not now under ceilings, rayon finished goods, and all mixtures and combinations of textile fibres. The schedules will not cover garments or accessories such as handkerchiefs and ties.

OPA to investigate "hardship cases" caused by ceilings on 1,800 fats and oils

Administrative work in connection with the price schedule recently issued for some 1,800 fats and oils will include at the outset a special study to determine the extent of hardship cases resulting from imposition of the ceiling prices, OPA Administrator Henderson announced December 16.

Since the most important cases of hardship brought to OPA's attention thus far have been from independent cottonseed crushing mill operators, these claims will be investigated first. Some independent operators have declared that the maximum price set for cottonseed oil allows them no margin over the cost of their seed.

Action taken in extreme emergency

"Our action on fats and oils, as in the case of several other food commodities, was taken under conditions of extreme emergency," Mr. Henderson stated. "The schedule itself is temporary, as our original announcement said, and is subject to revision.

"However, it must be emphasized that the price level of November 26 was used because, on the basis of preliminary studies, fats and oils prices on that date were most nearly free of the distortions that subsequently developed."

Imported and domestic closely connected

The administrator explained that while the initial impact of war naturally made itself felt immediately upon the prices of imported fats and oils, these products are interchangeable to a great extent with domestic fats and oils. Hence, under emergency conditions, it was impracticable to confine ceiling action to the imported group.

Referring to complaints received from independent cottonseed crushing mill operators, Mr. Henderson said: "If our investigations disclose that our ceiling price schedule for cottonseed oil contains provisions that are contrary to the public interest, modifications will be made. Mill operators who have maintained an evenly balanced, or 'hedged' position, of course, were not adversely affected by the OPA price action."

Wool floor coverings put under formal ceiling as war threatens materials

Supplanting the short-term individual price agreements with concerns in the wool floor covering industry, OPA issued December 17 a formal price schedule designed to stop any increase in prices for such products and to avert evasion of the schedule through changes in specifications, Administrator Henderson has announced.

This action was made imperative, Mr. Henderson stated, by outbreak of the war in the Far East, since that area is the source of all jute and much wool, the two principal raw materials used in the wool floor covering industry.

Manufacturers' suggestions helpful

A final meeting to discuss the provisions of the schedule was held with wool floor covering manufacturers December 12 in Washington. Several important changes from the tentative draft were made as the result of suggestions offered by the manufacturers at the meeting.

Maximum prices established in the schedule fall into three categories:

1. Maximum prices for "regular line" items are those quoted in price lists in effect October 13, the date used in establishing maximums under the agreements which have just expired.
2. Maximum prices for contract, special order, and other items not quoted in October 13 price lists are the highest prices charged between January 1 and October 13, 1941.
3. Maximum prices on items having new specifications can be established only with the written approval of OPA. No sales or deliveries can be made until such prices have been established.

Specifications limited

Furthermore, the manufacturers are prohibited under the order from selling items having specifications differing from the three following categories:

1. Wool floor coverings in price lists in effect on October 13.
2. Wool floor coverings not in price lists in effect on October 13, but sold or contracted to be sold during the period of January 1 to December 15, 1941, inclusive; or
3. Wool floor coverings manufactured or in process of actual weaving between October 13 and December 15, 1941, inclusive.

The prohibitions against changes in specifications do not extend to colors or patterns; to certain changes in yarn specifications; and to other changes made necessary by nonavailability or excessive cost of materials. The schedule becomes effective immediately.

Ceilings placed on used burlap, cotton bags to check profiteering and hoarding

Second-hand burlap and cotton bags cannot be sold for more than the highest prices that prevailed during the period November 15–December 6, under the provisions of a new emergency ceiling schedule issued December 16 by OPA Administrator Henderson.

Mr. Henderson cited the following factors as reasons why immediate action by his office was imperative:

Prices getting out of hand

1. Used bag prices, which have doubled since the start of 1941, are now threatening to get completely out of hand, especially on the West Coast, where flagrant profiteering and hoarding already have appeared.

2. Urgent demands from the Army and Navy for sandbags have been superimposed upon the existing heavy requirements for bags to package industrial and agricultural products.

3. Burlap imports are in danger of being completely interrupted by the war situation in the Far East.

4. Production of new cotton textile bags cannot be increased fast enough to make up for the threatened burlap deficiency.

"Used bags have become a vital war material overnight in areas threatened with attack by our enemies," Mr. Henderson said. "To profiteer in articles so urgently needed to protect American lives and property is reprehensible. My office will enlist the support of all other agencies of the Government, if necessary, to enforce the maximum price schedule issued today."

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Woolen manufacturers pledge compliance in conservation

Woolen and worsted manufacturers from all sections of the country, meeting in Washington to form an industry advisory committee, have promised OPM their full compliance with whatever program of wool conservation is worked out. A program is now being developed.

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Enemy ship firms banned

Japanese, German, and Italian steamship companies and their representatives have been ordered stricken from membership and barred from participation in American freight conferences and agreements by the United States Maritime Commission.

Emergency ceilings placed on raw wool, wool tops and yarns to protect public

Raw wool, wool tops, and wool yarns must not be sold at prices higher than those which prevailed between October 1 and December 6, 1941, under the provisions of an emergency schedule issued December 18 by OPA Administrator Henderson.

Mr. Henderson said he considered it imperative to protect the civilian population against increases in the cost of clothing, blankets, and other articles essential to health and well-being. About 60 percent of wool consumed in the United States this year is coming from abroad, principally from South America, Australia, and South Africa.

Curtailment of imports threatened

War in the Pacific is threatening to curtail imports, the administrator pointed out, and, in addition, domestic supplies will undoubtedly be drawn upon very heavily to meet increased demands from the armed forces. Under these conditions, there is real danger that inflationary price increases will occur, unless forestalled.

The schedule of December 18 applies to all forms of selling—"futures" as well as "spots," but excludes retail sales of wool yarns. Grease wool "futures" and wool tops "futures" are traded on the Wool Associates of the New York Cotton Exchange. The OPA ceiling for these futures is 127.8 (\$1.278 a pound) for wool tops and 95.5 (95½ cents a pound) for grease wool. While these prices are below those prevailing, the schedule allows completion of all "futures" contracts outstanding as of the close of trading December 17 at the contract prices.

All other outstanding contracts in raw wool, wool tops, or wool yarns, may also be carried out at the contract price.

Any contracts made hereafter in compliance with the provisions of the December 18 schedule, may be carried out at the contract prices, irrespective of any changes in the price levels that may be made in the future.

Schedule will be revised later

In this connection, Mr. Henderson pointed out that the current price action on wool is taken under emergency conditions and that a revision of the schedule would be made after studies now under way were completed.

Wool, according to the schedule, means the fibers from the fleece of sheep or lambs, or hair of Angora or Cashmere

goats (or of the camel, alpaca, llama, and vicuna), and related fibers; and includes noils, wool waste, clips and rags, and re-worked wool of all grades and mixtures.

"Wool tops" is a term applied to a semi-processed clean wool, consisting of relatively long fibers, since the shorter fibers have been combed out. It comes in the form of a rather thick, slightly twisted strand, or loose rope, in which the fibers lie parallel. These tops are spun into yarn.

"Noils" are the waste obtained from combing the shorter fibers out of "tops." This waste is generally used to make various woolen fabrics. "Clips" are another kind of waste derived from the cutting tables.

Determining ceilings

Method of determining the ceiling prices is set forth in the schedule as follows:

1. The maximum price shall be the highest price contracted for or received by the seller for the sale or delivery during the period between October 1, 1941, and December 6, 1941, inclusive, of wool or wool tops or yarns of the same class, kind, type, condition, and grade, to a purchaser of the same general class.

2. If during said period, no such sale or delivery was made, the maximum price shall be the price contracted or received by the seller for the last sale or delivery made prior to October 1, 1941, of wool or wool tops or yarns of the same class, kind, type, condition, and grade, to a purchaser of the same general class.

3. In all other cases, the maximum price shall be the highest market price during the said period of wool or wool tops or yarns of the same class, kind, type, condition, and grade, to purchasers of the same general class.

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Canning subcommittee appointed

The Bureau of Industry Advisory Committees of the OPM announced December 16 the formation of the technical subcommittee of the fruit, fish, and vegetable canning industry advisory committee.

Members are:

Mr. Carl Scudder, John S. Mitchell, Inc., Windfall, Ind.; Mr. Henry P. Taylor, Taylor & Caldwell, Inc., Walkerton, Va.; Mr. Harold Humphreys, Snyder Packing Corporation, Rochester, N. Y.; Mr. H. F. Cannon, H. P. Cannon & Son, Inc., Bridgeville, Del.; Mr. H. M. Riley, H. J. Heinz Co., Pittsburgh, Pa.

Ceilings on acetone, butanol, ethyl alcohol changed to aid manufacture from corn

In order to facilitate the increased production of acetone, butanol, and ethyl alcohol from corn, a high-cost raw material, the Office of Price Administration has acted to increase its ceiling prices for these three basic industrial chemicals, Administrator Henderson announced December 20.

The new maximum price levels, contained in temporary amendments to each schedule and effective January 1, 1942, also recognize the increase that has taken place in molasses prices and provide for a sliding scale, based upon the cost of raw molasses, when that material is used to make acetone, butanol, and ethyl alcohol.

Scale slides with molasses price

As compared with an original ceiling price of 7 cents a pound, delivered in tank cars in Eastern territory, the amended acetone schedule sets a maximum price of 15.8 cents a pound. The butanol ceiling, formerly 10¾ cents a pound, delivered in tank cars in Eastern territory, is raised to 15.8 cents a pound. The ethyl alcohol ceiling is raised from 24½ cents per gallon for the basic formula, "SD 2B," to 50 cents a gallon "at works."

In the case of any acetone and butanol

produced from the fermentation of molasses, the new maximum prices apply where the cost of the molasses used is \$2.50 per hundred pounds of sugar content delivered to the plant of the producer. In the case of ethyl alcohol the new ceiling prices apply where the molasses costs \$2.47 per hundred pounds delivered.

Ban on quotations can now be withdrawn

It is provided that for each increase or decrease of 10 cents per hundred pounds of sugar content in the delivered price of molasses the new maximum prices shall be adjusted upward or downward as follows: for acetone, \$0.004 a pound; for butanol, \$0.004 a pound; for ethyl alcohol, \$0.015 a gallon.

The maximum prices for acetone and butanol when delivered from local stocks maintained by others than producers may be increased by 1 cent per pound. This is a new provision designed to assist dealers and jobbers.

Producers were asked by Mr. Henderson on December 11 not to quote prices on any of these three chemicals for delivery after January 1, 1942. Issuance of the temporary amendments makes it possible to withdraw this request.

Pyrophosphate producer agrees to hold prices down

One of the country's major producers of pyrophosphate, basic chemical in the manufacture of cleaning compounds, has advised the Office of Price Administration that it reduced the price of this chemical on December 12 from 5½ to 5¼ cents per pound and has agreed to keep the price reduced through the first quarter of 1942, Administrator Henderson announced December 19.

This action was taken by the Grasselli Chemicals Department of E. I. du Pont de Nemours & Co. after investigation of price increases for pyrophosphate recently announced by Grasselli and other major producers had been started by the OPA.

The Navy Department is a particularly large user of soap compounds in manufacture of which pyrophosphate plays an important part. It is also used widely in the textile industry, in water softeners and in a variety of cleansing agents.

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OPA acts to hold down price of blast furnace beehive coke

Action to forestall an indicated 25-cent increase in the price of blast furnace beehive coke in Pennsylvania, where about 85 percent of the Nation's production originates, was taken December 19 by Price Administrator Henderson. He sent telegrams asking producers to make no advance beyond a price to consumers of \$6 per net ton.

The telegrams went to 55 beehive coke producers responsible for virtually all the output in Pennsylvania.

Beehive blast furnace coke prices in general have not changed substantially since May 1, 1941. Production, which was at a low ebb until the outbreak of the war in 1939, has risen sharply and currently is running at somewhat more than 600,000 tons monthly. Considerably more than 500,000 tons of this production originates in Pennsylvania. Except for a comparatively small amount of foundry coke, the entire output of beehive ovens is used by blast furnaces in the production of pig iron.

Text of Mr. Henderson's telegram follows:

I am requesting that as of December 15, 1941, no sales or shipments of Pennsylvania beehive blast furnace coke be made to any ultimate consumer in excess of \$6.00 per net ton f. o. b. car ovens. Please wire or notify me by return mail that you will comply with this request.

Voluntary price limit asked on byproduct coke-oven chemicals

Action to stabilize first quarter prices of benzol, toluol, xylol, and solvent naphtha obtained from byproduct coke-ovens was taken December 16 by OPA.

In telegrams sent to all producers, the OPA administrator requested that no sales of these products be made during the first 3 months of 1942 at prices more than 1 cent per gallon over the prices that prevailed during the last 3 months of 1941. Several of the largest producers had indicated their intention of raising first quarter prices an average of 1½ cents a gallon on a delivered basis.

Benzol is used chiefly to make synthetic phenol and aniline. Toluol, which is under rigid priority control, is the starting point for the manufacture of TNT and also is used industrially as a dyestuff intermediate. Xylol is used as a dyestuff intermediate and as a solvent. Naphtha is a widely used solvent.

The December 16 request is directed only to those producers who recover these chemicals from byproduct coke-oven "light oil."

Handlers of natural resins, shellac asked not to raise prices

Action to prevent further advances in the prices of natural resins and shellac, two more imported commodities directly affected by war in the Pacific, was taken December 13 by OPA Administrator Henderson in the form of telegrams asking importers and others handling either or both products not to raise prices above the levels of December 5.

Temporary pending further study

This move by Mr. Henderson followed quickly after requests sent out by the Office of Production Management restricting shipments of natural resins and shellac.

The date of December 5 was selected, Mr. Henderson said, because it represents the last full business day preceding the outbreak of hostilities.

The December 13 requests are of a temporary nature. Longer-range price programs for natural resins and shellac will be developed after further study of the situation.

CONTRACT DISTRIBUTION . . .

List of Contract Distribution offices

The Contract Distribution Division of OPM December 19 made public a revised list of its field offices and their principal personnel.

Offices have now been established in 95 different cities throughout the United States. Additional offices will be opened in other industrial centers as rapidly as possible.

These offices provide information and engineering assistance to prospective producers of war material. If they have not already done so, manufacturers seeking war work should take or send to the nearest field office full information regarding their equipment and the products they normally manufacture.

The offices, managers, and addresses follow:

ALABAMA—*Birmingham*, L. E. Geohegan, Edw. Lee Norton, 301 Phoenix Bldg., 1706 2d Ave., N.

ARIZONA—*Phoenix*, Fred F. Schalmo (acting), 406 Security Bldg.

ARKANSAS—*Little Rock*, Alfred M. Lund, (state director), Chas. L. Tompson (chairman, advisory committee), 304 Rector Bldg., 3d and Spring Sts.

CALIFORNIA—*Fresno*, E. H. Cameron (acting), Mattel Bldg.; *Los Angeles*, Howard Hutchins, W. S. Rosecrans, 1031 S. Broadway; *Oakland*, W. P. Collins (acting), Financial Center Bldg.; *San Diego*, Paul C. Farmer (acting), 510 Union Bldg.; *San Francisco*, Col. Francis M. Smith, Furniture Mart, 1355 Market St.

COLORADO—*Denver*, Clyde C. Hartzell (state director), Wm. L. Petriklin (chairman, advisory committee), U. S. Nat'l. Bank Bldg., 817 17th St.

CONNECTICUT—*Hartford*, Carl Gray (state director), Phoenix Bank Bldg., 805 Main St.; *Bridgeport*, Raymond L. French (acting), Professional Bldg., Main St.

DELAWARE—*Wilmington*, Bradley L. Giest (acting), 314 Penn Bldg., French and Water Sts.

FLORIDA—*Jacksonville*, Chas. C. McCubbin (state director), George W. Simons (chairman, advisory committee), 620 Hildebrandt Bldg.; *Miami*, Forrest D. Banning (acting), 514 Congress Bldg.; *Tampa*, Arthur B. Hale, 901 Wallace S. Bldg.

GEORGIA—*Atlanta*, W. C. Cram, Jr., Wiley Moore (chairman, advisory committee), Suite 150, Hurt Bldg.

IDAHO—*Boise*, H. W. Bogle, (acting), 409 Capital Securities Bldg.

ILLINOIS—*Chicago*, Thos. S. McEwan, Federal Reserve Bank Bldg., 230 South LaSalle St.; *Springfield*, Edward Gerrity, 407 Leland Office Bldg.

INDIANA—*Indianapolis*, Frank Hoke (state director), Circle Tower Bldg.; *Evansville*, J. T. Mooney (acting), Koenig Bldg., Room 8, 112 North West 4th St.

IOWA—*Des Moines*, George Beese, (state director), Vernon L. Clark (chairman, advisory committee), 505 Crocker Bldg.

KANSAS—*Wichita*, Harold Hartzell (state director), George B. Weeks (chairman, advisory committee), 517-518 Union Nat'l Bank Bldg.

KENTUCKY—*Louisville*, Prentiss M. Terry, 200 Todd Bldg.

LOUISIANA—*New Orleans*, R. E. Judd (state director), A. B. Paterson (chairman, advisory committee), Room 423 Canal Bldg.; *Shreveport*, R. H. Cone (acting), 916 Giddens Lane Bldg., Milan and Marshall St.

MAINE—*Bangor*, Charles E. Walker (acting), 363 Union St.; *Portland*, Herbert Payson, Jr. (state director), Room 501-502, 443 Congress St.

MARYLAND—*Baltimore*, G. W. Creighton (state director), W. F. Roberts (chairman, Advisory Committee), Federal Reserve Bank Bldg., Lexington and Calvert St.

MASSACHUSETTS—*Boston*, Edward V. Hickey (state director), 17 Court St.; *Fall River*, Harold S. Ramsay (acting), 27 South Main St.; *Lowell*, W. E. Standwood (acting), Sun Bldg., 8 Merrimac St.; *Springfield*, Howard G. Philbrook, 95 State St.; *Worcester*, Dwight Clark Daniels, State Mutual Bldg., 340 Main St.

MICHIGAN—*Detroit*, Warren H. Clarke (state director), Clarence Avery (chairman, advisory committee), Federal Reserve Bank Bldg., 160 Fort Street, West.

MINNESOTA—*Minneapolis*, Harold C. Timberlake, Roger Shepard (chairman, advisory committee), Midland Bldg.

MISSISSIPPI—*Jackson*, A. G. McIntosh (acting), 610 Tower Bldg.

MISSOURI—*St. Louis*, F. J. McDevitt, Federal Reserve Bank Bldg., 411 Locust St.; *Kansas City*, R. W. Webb, Federal Reserve Bank Bldg., Tenth St. and Grand Ave.

MONTANA—*Helena*, R. E. Towle (state director), J. C. O'Connell (chairman, advisory committee), Federal Reserve Bank Bldg., Park and Edward Sts.

NEBRASKA—*Omaha*, Arthur Walker (state director), 501 Grain Exchange Bldg., 19th and Harney.

NEVADA—*Reno*, Leonard E. Faber (acting), Saviers Bldg.

NEW HAMPSHIRE—*Manchester*, S. H. Dann (acting), Amoskeag Industries Bldg., Stark St.

NEW JERSEY—*Newark*, R. L. Kennedy (state director), Tom Jones (chairman, advisory committee), 176 Sussex Ave.

NEW MEXICO—*Albuquerque*, George Lusk (acting), 103½ West Central Ave.

NEW YORK—*New York City*, W. O. Crabtree, Chanin Bldg., 122 East 42d St.; *Albany*, F. J. Holman, State Bank Bldg., 75 State St.; *Brooklyn*, Emile Weinberg, 18 Court St.; *Buffalo*, Thos. J. O'Rourke, John J. Lenahan, Mfrs.' & Traders' Bank Bldg., Rm. 212 Main and Swan Sts.; *Rochester*, Mahlon Gregg, 119 E. Main St., Commerce Bldg.; *Syracuse*, T. D. Harter, 302 Starrett-Syracuse Bldg., 224 Harrison St.

NORTH CAROLINA—*Charlotte*, Frank H. Cothran (chairman, advisory committee), New Liberty Life Bldg.

NORTH DAKOTA—*Bismarck*, Paul W. Fawcett (acting), 14 First Nat'l Bank Bldg.

OHIO—*Cleveland*, Dr. Charles Terry (state director), Herman Lind (chairman, advisory committee), Union Commerce Bldg., E. 9th and Chester Ave.; *Cincinnati*, Clifford Schulte, Clifford Wright, Room 804, Union Trust Bldg.; *Columbus*, Benjamin J. Zuhars (acting), 305 Spahr Bldg., 50 E. Broad St.; *Dayton*, Collins Wight (acting), 1021 Third Nat'l Bank Bldg., 32 North Main St.; *Toledo*, Henry A. Jordan (acting), 519 Spitzer Bldg.; *Youngstown*, Lelf Oyen (acting), 1002 Union Nat'l Bank Bldg.

OKLAHOMA—*Oklahoma City*, Morton R. Harrison (state director), Fred Jones (chairman, advisory committee), 540 Key Bldg.

OREGON—*Portland*, John G. Barnett (acting), Thomas Harry Banfield, 815 Bedell Bldg.

PENNSYLVANIA—*Philadelphia*, Orville H.

Bullitt (state director), Thomas S. Gates (chairman, advisory committee), Federal Reserve Bank Bldg., 925 Chestnut St.; *Allentown*, Ernest R. Follin, Jr. (acting), 506 Hamilton St.; *Chester*, Abbot Smith, 12-14 East 6th St.; *Erie*, Harry B. Joyce (acting), Erie Trust Company Bldg.; *Harrisburg*, Ritchie Lawrie, Jr. (acting), Black Stone Bldg., 3d and River Sts.; *Johnstown*, John S. Wagoner, U. S. Nat'l. Bank Bldg., 216 Franklin St.; *Lancaster*, Arthur K. Barnes, 655 Woolworth Bldg.; *Norristown*, Geo. Peterson, Jr., 306-308 Norristown-Penn Trust Bldg.; *Pittsburgh*, M. F. McOmber, Alex E. Walker, 405 Fulton Bldg.; *Reading*, John A. Archer (acting), 615 Penn St.; *Scranton*, Alfred T. Snyder (acting), Room 717 First Nat'l Bank Bldg.; *Wilkes-Barre*, W. H. Pierce, 53 West Market St.; *Williamsport*, H. D. Stuenkel, Susquehanna Trust Co., Bldg., 120 W. 4th St.; *York*, Richard S. Cole, Manufacturer's Assn. Bldg., 25 N. Duke St.

RHODE ISLAND—*Providence*, Walker Mason (state director), Col. Wm. Shawcross (chairman, advisory committee), 530 Industrial Trust Bldg.

SOUTH CAROLINA—*Columbia*, Harry G. Greene (acting), Room 204-206 Manson Bldg., 1207 Taylor St.

SOUTH DAKOTA—*Sioux Falls*, Fred M. Chase (acting), 309-310 Boyce Greely Bldg.

TENNESSEE—*Memphis*, Arthur M. Field (state director), Arthur J. Dyer (chairman, advisory committee), 2112 Sterick Bldg.; *Chattanooga*, Paul E. Shacklett, 909-910 James Bldg.; *Knoxville*, W. W. Mynatt (acting), 202-204 Goode Bldg.; *Nashville*, W. G. Whitsitt, 1014 Stahlman Bldg.

TEXAS—*Dallas*, A. J. Langford, Chas. R. Moore, Fidelity Bldg.; *El Paso*, L. A. Wilke, W. R. Blair, 222 El Paso Nat'l Bldg.; *Houston*, I. M. Griffin, R. Lee Blaffer, Federal Reserve Bank Bldg., Texas Ave. and Caroline St.; *San Antonio*, P. E. Locke, Hnil Youngblood, 1100 South Texas Bank Bldg., Houston and Navarro Streets.

UTAH—*Salt Lake City*, Bayard W. Mendenhall (acting), Geo. M. Gadsby, 432 Utah Oil Bldg., Cor. S. Temple and E. State Sts.

VERMONT—*Montpelier*, A. M. Creighton, Jr. (acting), 12 State St.

VIRGINIA—*Richmond*, Julian Lorin Mason, Johnson Publishing Bldg., Fifth and Cary Sts.; *Washington*—*Seattle*, F. C. Bold, J. G. Larson (chairman, advisory committee), Nat'l Bank of Commerce Bldg.; *Spokane*, T. Wilber Weger, Room 629-630 Old Nat'l Bank Bldg.

WEST VIRGINIA—*Wheeling*, M. S. Sloman (acting), 1025 Main St., Hawley Bldg.

WISCONSIN—*Milwaukee*, Clifford E. Ives (state director), Harold H. Seaman (chairman, advisory committee), 610 First Wisconsin Nat'l Bank Bldg.; *Eau Claire*, Dorance W. Walters (acting), 128½ Graham Ave.

WYOMING—*Casper*, H. C. Gustafson (acting), P. and R. Bldg.

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Large sulphuric acid producer to maintain present prices

The Grasselli Chemicals Department of E. I. du Pont de Nemours & Co., one of the largest producers and sellers of sulphuric acid, a key chemical of universal use, has agreed to continue present prices through the first quarter of 1942, OPA Administrator Henderson announced December 18.

Conditions for reproducing priority forms

The Division of Priorities on December 12 issued the following statement relating to the reproduction of official forms and orders.

Reproduction of Priorities Division forms and orders is permitted *only* in accordance with the following instructions:

Any application form, including form PD-1, may be reproduced.

Any report form, including inventory report forms, may be reproduced.

Any "M" order, "L" order, or "E" order may be reproduced.

As to "P" orders, two rules are to be followed:

1. If the order is issued to a general class of persons, and does not name any individual as the recipient of the order (as is the case in P-22, the Maintenance and Repair Order) the order may be freely reproduced in the same manner as "M" orders.

Limits on individual "P" orders

2. If the "P" order has been issued for the use of specifically named firms or individuals, it may be reproduced for use either by the individual producer or by his suppliers who are entitled to use the order, by the photo-offset or similar photographic process. Such copies must be identical in size and every other respect with the order as issued by OPM. Blank forms of "P" orders may be reproduced for informational purposes only when they are stamped "Specimen" or "Sample," so as to make it clear that the copy is for information only and not for use.

The purpose of these rules is to permit reproduction of forms and orders for (1) informational purposes, or (2) for purposes of applying for priority assistance, or (3) furnishing information to the

OPM—but also to prevent reproduction of forms and orders which might lend themselves to improper use.

Whenever any form required by the OPM is reproduced, for whatever purpose, it must be reproduced in the exact format, language, color, type, size, and phraseology of the original.

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Reproductions of some orders governed by special rules

The Division of Priorities issued December 15 the following additional statement relating to the reproduction of "P" (blanket preference rating) orders:

The general instructions permitting qualified persons to reproduce "P" orders, by photo-offset or similar photographic process, do not take precedence over any specific instructions or regulations which have been issued in connection with any specific order.

In the case of P-7, for example, issued to ship builders, specific instructions state that copies of the order must not be reproduced by ship builders, rated subcontractors or suppliers, but that all copies to be used must be obtained from the chief of the Priorities Administration Branch of the United States Maritime Commission, Social Security Building, Washington, D. C.

Similar instructions have been given in connection with P-14-a and P-14-b, issued to ship yards.

Whenever such specific instructions have been issued, it was explained, they are to be followed. When this has not been done, however, the general instructions (in PM 1761) relating to "P" orders should be followed.

The Priorities Division pointed out that retail consumers cannot and must not be expected to produce preference rating certificates, when placing normal orders for finished goods.

In the case of important civilian items, as for example, farm machinery and spare parts for privately owned automobiles and trucks, the Priorities Division has given assistance to manufacturers so that they may continue their production. The goods manufactured as a result of this assistance are then made available through the normal trade channels.

Hog bristles over 3 inches long reserved for military needs

Hog bristles more than 3 inches in length are reserved for military requirements by General Preference Order M-51, issued December 17 by the Division of Priorities.

Reason for the order is the uncertainty of future shipments of pigs' and hogs' bristles from abroad. They have been largely imported from China and are used in 12 sizes, graduated in quarter-inches from 3 to 6 inches, for the manufacture of brushes.

The December 17 order, which took effect immediately, provides that no person shall process bristles or otherwise commence the manufacture of any product of which bristles are a part, except on defense orders, unless specifically authorized by the Director of Priorities.

Transfer is controlled

The order prohibits the sale, delivery, or transfer of title to bristles unless specifically authorized, provided that transactions involving bristles may be made if those engaged report to the Office of Production Management by the day following the transaction, the amount, origin, size, color, number of cases, and identifying case numbers of any bristles so sold, delivered, or to which title has been transferred.

Opening any cases of bristles also is prohibited unless it is necessary to prevent their deterioration and then the action and circumstances must be reported at once to OPM.

Two factors make China the largest source of supply of bristles; the fact that hogs are allowed to grow older before slaughter, thus growing longer bristles, and low-cost labor which sorts bristles for a few cents a day.

Report forms to be issued shortly by the OPM will require each owner of bristles to report, as of the effective date of the order, all bristles of all types in his possession or to which he owns title. Bristles to be reported include those afloat, in transit, in warehouses or in the process of manufacture.

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Retail consumers in general don't need preference ratings

In the confusion incident to attacks upon the United States by the Axis Powers, many distributors of consumers' goods have told their customers that they cannot sell to them unless their orders are accompanied by preference rating certificates. This seems to have been most prevalent among dealers who handle metal products, particularly in the farm machinery and hand-tools fields.

NAVAL ENLISTMENTS MOUNT

The Navy Department announced December 17 that 11,303 men enlisted in the Regular Navy recruiting stations in the 8 days immediately following the Japanese attack on Hawaii. From December 8 to and including December 15, the rate of first enlistments increased from 361 per day to 2,930 per day.

Refrigerated space increased 21 percent, survey shows

A complete survey of refrigerated warehouse space throughout the country, made to assist the War and Navy Departments, the Lend-Lease Administration, Surplus Marketing Administration, and other agencies, has been announced by Ralph Budd, OEM Transportation Commissioner. This survey was made by the cold storage section of Agricultural Marketing Service, U. S. Department of Agriculture, at the request of the warehousing section of the Transportation Division.

It lists the gross space in all types of cold storage warehouses and meat packing establishments and shows a total of 1,879 units with 766,383,000 cubic feet under refrigeration. This is an increase of 21 percent since 1921. These totals do not include approximately 36,000,000 cubic feet of ice storage space which could be used for the storage of many vital defense food products, nor the large aggregate capacity of the many refrigerated locker plants throughout the country.

Copies of the survey may be obtained from the office of J. Raymond Shoemaker, consultant on Refrigerated Warehousing, Room 1244, Federal Reserve Building, Washington, D. C.

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CARLOADINGS

Revenue freight carloadings for the week ended December 13 totaled 807,225 cars, an increase of 9.6 percent over the corresponding week in 1940 when loadings totaled 736,340 cars; but a decrease, due to seasonal influences, of 26,150 cars or 3.1 percent under the previous week in 1941 when loadings of 833,375 cars were recorded.

CARLOADINGS—WEEK ENDED DEC. 13

	1941	1940	Per- cent increase
Grain and grain products.....	41,533	33,056	25.6
Livestock.....	13,841	13,727	.8
Coal.....	154,910	149,679	3.5
Coke.....	14,029	13,272	5.7
Forest products.....	42,377	39,618	7.0
Ore.....	16,173	13,470	20.1
Merchandise l. c. L.....	152,741	153,619	1.6
Miscellaneous.....	371,621	319,899	16.2
Total.....	807,225	736,340	9.6
Cumulative (50 weeks).....	40,879,704	35,114,792	16.4

1 Decrease.

MATERIALS . . .

Capacity for pig iron and special steels to be sped by high ratings, other means

Expansion of the Nation's steel-making facilities, particularly in the field most vital for war production, will be pushed forward with new speed, W. L. Batt, Director of Materials, announced December 16.

A first step in the steel speed-up program is the decision to grant high preference ratings for expansion projects. Ratings in the high military categories will be used.

Fig iron, electric furnaces

The immediate aim is twofold:

1. An increase in pig iron facilities, to balance present finishing facilities and to offset expected shortages in iron and steel scrap.
2. An increase in electric furnace and other finishing facilities, to provide special treatment steels, alloy steels, and specific steel products necessary for war production.

Ratings just below top military projects are expected to forestall any possible delays in getting the expansion program now under way completed in a minimum number of months. All other steps possible to rush the program will be taken, Mr. Batt said.

Air conditioning to step up production

One now under consideration is to equip an important number of existing blast furnaces with air-conditioning units, which can be installed within four or five months without delaying plant operations. It is estimated this will increase pig iron output by 5 to 8 percent for 8 months a year, meaning an additional 1,000,000 to 2,500,000 tons a year. This dry blast process also would result in a substantial annual saving of coke.

Steel-expansion projects approved to date, totaling more than 7,000,000 ingot tons, Mr. Batt pointed out, are designed to meet specific needs of war production. These are alloy bars, tool steel bars, cold finished bars, armor plate, special steel castings, and steel plates. Another consideration of prime importance is the increase in Great Lakes ore-shipping capacity. Contracts for the construction of sixteen new ore boats already have been let by the Maritime Commission.

Detailed reports on steel will be made regularly to the Supply Priorities and

Allocations Board, Mr. Batt said, based on additional information being gathered by the iron and steel branch, Office of Production Management.

Emphasis will be given to completion of projects now approved or under construction, and additional projects will be recommended as the need for them is demonstrated. Long-range planning is vital in steel, he pointed out, because it takes from 18 to 24 months to complete all production facilities necessary for each million-ton increase in steel output.

Timing of the building of various units and the amount of tonnage which may ultimately be required will depend, he said, on the turn of war in various parts of the world.

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Houghton named assistant to Materials deputy director

Appointment of Amory Houghton, Corning, N. Y., glass manufacturer, as assistant deputy director of the Division of Materials, was announced December 18 by OPM.

Mr. Houghton becomes an additional assistant to Philip D. Reed, deputy director. C. H. Matthiessen, Jr., of Pasadena, Calif., is the other.

Rapelye chief of nickel branch

Another change in the administrative staff of the division is the appointment of Harry A. Rapelye, of Kansas City, Mo., as chief of the nickel branch. Mr. Rapelye replaces Louis Jordan, who has been acting chief. Mr. Jordan will continue on a part-time basis with the branch, devoting the rest of his time to the Research Council of the National Academy of Science.

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Defense Bond sales set record in first week of war

Sale of Defense Savings Bonds was boosted 117 percent to an all-time high during the first week of war, a spot check of representative banks in 45 key cities, made for the Treasury Department by the American Bankers Association, showed.

LABOR . . .

5-point program for labor, management issued to meet rubber industry problems

Sidney Hillman, Associate Director General, OPM, issued December 18 a 5-point program for the rubber industry which labor and management will be expected to follow in handling labor problems arising out of the war curtailment of civilian production in the industry.

Based upon the statement of policy which OPM issued on September 17, 1941, the program includes provision for the protection of seniority rights; transfer of employees from nonwar to war jobs within plants; preferential hiring of displaced workers; recall of workers by original employer for war tasks; and retention of seniority by workers in training for defense jobs.

Conversion to war production

In addition, Mr. Hillman said, the Government's discussions with labor and management indicated the importance of converting civilian tire and rubber factories, wherever possible, to war production. The Contract Distribution Division of OPM is collaborating with Labor Division and industry officials on methods to advance this program of conversion.

Arrangements are also being made for close cooperation of rubber workers unions, managements, and the State employment services for group registration of all displaced or laid-off workers, for the purpose of expediting their employment in war industries and, if necessary, retraining for war production.

Representatives meet at Akron

The conferences leading up to the adoption of the labor transfer program were held at Akron, Ohio, on December 11 and 17, 1941, under the chairmanship of Eric Nicol, associate chief, labor supply branch of the OPM's Labor Division, and were participated in by representatives of the leading rubber manufacturers and labor unions.

Taking part in the conference at Akron, December 17, were:

S. H. Dalrymple, general president, L. S. Buckmaster, general vice president, Frank Grillo, general secretary-treasurer, George R. Bass, president, Local 5, George Cummins, president, Local 65, C. V. Wheeler, president, Local 2, C. F. Richmond, president, Local 7, Gerald T. Palmer, president, Local 18, E. L. Templeton, president, Local 8, Howard Haas, president, Local 9, and Rex C. Murray, district representative—United Rubber Workers of America; John J. Murphy, representative

of the AFL Rubber Workers; I. B. Calvin, Selberling Rubber Co.; John A. Christie, factory manager, Mohawk Rubber Co.; W. R. Murphy, Firestone Tire and Rubber Co.; H. B. Spencer, U. S. Rubber Co.; H. L. Barnes, General Tire and Rubber Co.; D. D. Reichow, B. F. Goodrich Co.; Fred W. Climer, Goodyear Tire & Rubber Co.; and H. W. Croysdale, Republic Rubber Division, Lee Rubber and Tire Corporation.

Five-point program

The following is an interpretation of the policy statement of the Office of Production Management of September 17, 1941 as it applies to the rubber industry, which the OPM will expect industry and labor to follow in handling the displacement of workers in the rubber industry:

1. PROTECTION OF SENIORITY RIGHTS.

Where an employee working on nondefense production is laid off and obtains defense employment with another company, and that fact is certified to his former employer, he will not have to report back for nondefense production work in order to protect his seniority so long as he retains the defense employment to which he was certified. If he shifts from one defense employment to another, there must be a recertification as to his new defense employment. Employers involved in the application of this policy will work out arrangements which will result in the maximum possible acceleration of the defense program.

A. It shall be the responsibility of the employer to furnish an employee being laid off full information regarding the procedure which he should follow in protecting his seniority rights, together with a partially filled out form entitled, "Certification of Hire for Defense Work."

It is the employee's responsibility to see to it that his original employer, with whom original seniority was acquired, receives from his defense employer the form "Certification of Hire for Defense Work." This certification form shall be completed by his defense employer. Copy of this certification form shall be immediately sent by the defense employer to the local State Employment Office and a copy thereof furnished to the worker for his retention.

B. Employees working in plants on nondefense work who can be spared or loaned; who elect to accept such defense employment; and who are found acceptable and are so certified by the prospective employer, will be released upon agreement with their original employer with full protection of their seniority rights.

C. Skilled tradesmen partially employed, or employed at occupations other than their trade, unless such occupation is considered to be equally essential to defense, will be released upon their request with full protection of their seniority rights for full time defense work at their trade. In instances in which a collective agreement provides for a reduction of hours before employees are laid off, the schedule of hours so reduced may be regarded as full time employment for the purpose of this provision. The defense employer shall, upon request, notify the original employer that he has offered the worker full time defense work at his trade before the worker's request for release is granted.

Workers securing defense employment with another employer under the terms of this policy will, while employed on defense work, continue to accumulate seniority with the employer with which their original seniority was acquired, providing proper certification of such employment has been made to their original employer.

2. TRANSFER OF EMPLOYEES WITHIN COMPANIES.

Transfer of employees from nondefense to defense work in each local bargaining unit shall be in line with agreements regarding the transfer of employees. Employees fully qualified for skilled and semiskilled jobs on the basis of past experience and training shall be transferred in line with their seniority.

Employees with the greatest seniority working in the plant who have applied and who can qualify within the period normally given to new employees shall be given the opportunity to qualify before new employees are hired to be trained for the job.

If no such employees or an insufficient number of such employees who have made application are available, management will notify the Shop Committee and new, fully qualified applicants may be hired.

3. PREFERENTIAL HIRING OF DISPLACED WORKERS.

When hiring new employees for defense work, preference will be given to persons laid off on account of authorized Government curtailment of nondefense production, and where curtailment in their industry is authorized for the near future.

Such employees who are working or who have worked in local industries will be given preference over employees from other localities.

It is understood that in the event that workers are displaced in the rubber industry within a given community as the result of shortage of materials or as a result of the authorized curtailment of production, the Labor Division of the Office of Production Management will endeavor to secure agreement from other companies and industries in the community which can logically absorb such displaced workers to provide defense employment for these displaced workers in accordance with the provisions of this policy.

4. RECALL OF WORKERS BY ORIGINAL EMPLOYER FOR DEFENSE WORK.

In order to retain his seniority, an employee loaned or laid off, whether unemployed or currently employed on defense or nondefense work, must report back for defense employment to the company with which he holds his original seniority for work in the same community, if and when called, on notice of at least one calendar week. Recall of employees to defense work presupposes the management will endeavor to provide full-time employment, contingent upon the availability of the essential tools, material, and facilities. Skilled tradesmen will be subject to recall only for full-time defense employment at their trades or the equivalent.

5. STATUS OF WORKERS IN TRAINING FOR DEFENSE JOBS.

For the purpose of these policies, defense training is to be considered defense employment, provided there is an understanding between the employer and the employee that the employee is being trained for a specific defense job.

The above provisions shall become operative December 10, 1941, and will cover all workers who have seniority rights on that date. The provisions of this policy shall continue in effect throughout the duration of the war.

MEDIATION BOARD . . .

Board passes fourth consecutive week with no strikes on calendar

The National Defense Mediation Board last week (December 15-21) for the fourth consecutive time had a week completely free from strikes.

Central States Employers Negotiating Committee

Hearings resumed on Monday, Dec. 15, in the dispute between the International Brotherhood of Teamsters, AFL, and the Central States Employers Negotiating Committee, Chicago, Ill. The hearings had been recessed for one week to allow a subcommittee to assemble necessary data for the Board's arbitration award. After 3 days, during which both sides finished presenting their arguments, the six-man panel adjourned the meetings and will make its decision as soon as possible.

The controversy, which arose over wages of over-the-road drivers, 225,000 trucking employees in 12 midwestern States, is the second largest case ever handled by the Board. Both parties have agreed to accept the Board's decision as final and binding.

Nevada Consolidated Copper Corporation

On Dec. 15, hearings opened in the dispute between the Nevada Consolidated Copper Corporation, Santa Rita and Hurley, N. Mex., and the Chino Metal Trades Council, AFL, the Brotherhood of Locomotive Firemen and Engineers, and the Brotherhood of Railroad Trainmen. A threatened strike of 2,300 men had been postponed at the two plants, which are engaged in smelting and mining copper essential to national defense.

The issue causing the controversy was the refusal of the company to bargain with any union until certified by the National Labor Relations Board. After 2 days of hearings, the panel, composed of William G. Rice, Jr., Frederick Fales and James Wilson, issued recommendations which were accepted by the union. The recommendations urged that all parties avoid causing delays in the case now pending before the National Labor Relations Board; that until the NLRB certifies one union, the employer bargain with each union for its members only. The union accepted the recommendations,

and the company asked for time to consider its answer.

Anaconda Copper Mining Co.

It was decided by the Board after a one-day hearing in the Anaconda Copper Mining Co. dispute with the International Brotherhood of Electrical Workers, AFL, that a special representative would have to be appointed to investigate the wage question. This issue was the cause of a threatened strike of 175 men employed in mining and smelting copper.

John A. Roebling Sons Co.

On December 16, hearings were resumed in the case of John A. Roebling Sons Co., Trenton, N. J., and the Brotherhood of Railroad Trainmen. Hearings had been held early in November on the demand by the union for a closed shop and the application of standard railroad rules in the yard of the company. Hearings were then recessed to give the union time to study the company's proposals before the parties came in again before the Board. Because the union representative admitted they had no power to make any changes in the standard rules of the Brotherhood which they wanted incorporated in any agreement, the Board decided to recess the hearings once more. A letter was then sent by the panel to W. L. Reed, vice president of the Brotherhood, who represented the union in the case, stating that the Board "obviously cannot function in its mediation capacity unless the representatives of each party are empowered to bargain collectively upon all the issues in dispute." It also pointed out that the company was so empowered and declared that the Board had decided to recess the hearings "until such time as the Brotherhood, of Railroad Trainmen arranges to have present at the hearings a representative, either yourself or someone else, with authority to negotiate upon all the issues in dispute."

Meanwhile the Board retains jurisdiction of the case with the understanding that production will not be interrupted while the case remains before it. A strike would affect 8,300 men at the company's plant, which has defense contracts for steel and aircraft products.

Two new cases were certified to the Board last week. One involved the Hammond-Irving Co., Inc., of Auburn, N. Y., and the International Association of Machinists, AFL. When the union agreed to end the 13-day strike, the case was certified to the Board. The plant is making steel forgings and employs 132 men. A hearing is scheduled for Jan. 5.

On Saturday, Dec. 20, the month-old strike of 200 employees of the Johns-Manville Products Corporation plant at Watson, Calif., was certified to the Board. The employees represented by the Rock Products Workers Union, AFL agreed on immediate resumption of production as soon as the case was certified. The plant is making asbestos for construction at the Phelps-Dodge Copper Co. mine, Morenci, Ariz. The issue in dispute is wages.

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OPM industry branches to act more closely with labor, management, Director General

William Knudsen and Sidney Hillman, Director and Associate Director of OPM, on December 20 announced organizational changes within OPM designed to speed up war production, to quicken the conversion of civilian industry to war output, and to widen the participation of management and labor along every step of the way in achieving these objectives.

Under this new arrangement, the industry branches which are charged with the responsibility for converting civilian facilities to wartime purposes will henceforth report directly to the Director General and the Associate Director General. This will make it possible to arrive more swiftly at decisions relating to such industries and to translate those decisions into effective action.

In shaping plans to increase war production, both the Director General and the Associate Director General are calling upon all industry branch chiefs to draw more extensively upon the experience and active services of labor and management committees in meeting such problems as the maximum war use of the equipment and manpower of every shop and factory, the spreading of war orders, the orderly transfer and retaining of workers for war jobs, the conservation of strategic war materials, as well as many other key questions.

CONSERVATION . . .

War brings call for everyone to start now saving waste paper, rags, metals, rubber

An appeal to every American to join a "Salvage for Victory Campaign" was issued December 14 by Lessing J. Rosenwald, chief of the Bureau of Industrial Conservation. Mr. Rosenwald called upon the entire public to begin immediately to save for war production all waste paper, rags, metals and old rubber.

The goal of this campaign is the salvage and re-use of every pound of wasted or idle material, Mr. Rosenwald declared. The salvage of materials critically needed to wage war against the Axis powers he said, "is an immediate and grave responsibility for every man, woman and child."

In homes, shops, and factories

Prior to the Japanese attack on the United States, the defense program and Lease-Lend aid to Britain, Russia and China had reached such proportions that it had become necessary to begin planning a national salvage campaign that would reach into every home. The outbreak of a "fighting war," however, now makes it necessary to use every pound of materials, including so-called waste materials, for war industries and the essential civilian economy.

"Let no American fail to realize the extent of the threat to supplies essential to our war production by the events of the last few days," Mr. Rosenwald urged. "There is, of course, no need for hysteria. Americans have never failed to meet every emergency which has confronted them, no matter how sudden or vast it has been. We have been preparing for the situation which now confronts us. Stock piles have been accumulated; new sources of critical materials are being tapped; substitutes have been and will continue to be found and used; every possible economy in the use of the materials we have will be achieved."

Events make need immediate

"But the greatest source of many of the things we must have is the waste pile scattered over the face of America. In homes, shops, and factories, on farms and city dumps, in automobile 'graveyards' there is a huge, untapped mine of scrap metal, paper, rags, and rubber. Not one pound of this rich potential stock pile must be left lying idle and unused."

The Bureau of Industrial Conservation recently announced completion of a carefully planned program for nationwide salvage of waste materials. The program was launched on December 9 with the appointment of a State Salvage Committee in Maryland, after which similar committees were to be set up in every State. The sudden and drastic change in the whole problem of scarce materials brought on by Japan's attack, however, now demands immediate action.

Asked to surmount inconvenience

"Undoubtedly there will be inconveniences and delays while the details of organizing State and local salvage committees are being worked out," Mr. Rosenwald said. "It may not be possible to provide for the immediate collection of all waste materials from every home," he continued. "Facilities for collection, transportation and so forth vary from place to place, so we must ask the public for patience. But I feel sure that when the need exists and the life of the Nation is at stake, the people of this country will not complain about inconveniences."

Committee being set up in East

The Bureau will continue along the lines originally laid out, it was said, and is already setting up salvage committees in a number of East Coast States. Wherever possible, these committees will be a part of local defense councils. By this method, it is felt, the salvage program can be most effectively executed on a continuous, regular basis. Until such time as special instructions may be issued by such State committees, however, the Bureau urgently requested that all available waste materials be set in motion toward war plants.

The Bureau has recommended that scrap metals, paper of all kinds, rags, old tires and innertubes be sold to local collectors, or given to collecting charities. Waste materials dealers usually are listed in telephone books, it was noted. As a general rule, collectors will not call for less than one hundred pounds of waste paper, so that in many instances it will be wiser for the average householder to deliver small quantities directly to a dealer, in order to expedite the return of the material to production.

Knudsen appeals to every industry, large and small, to "get in the scrap!"

The following statement was issued to industry December 18 by OPM Director General Knudsen.

In this shooting war our planes, tanks, ships, and guns have an enormous appetite for metal. This appetite must be satisfied.

Return every pound to market

The drain on our raw materials must be supplemented in every way possible. Most important at this time is the quick return to the market of every pound of scrap metal we can find.

This scrap, of which there can be a great harvest in industry, must be gathered up and sold at once.

Every industry, large and small, must GET IN THE SCRAP.

Obsolete machinery wanted

Obsolete machinery, old boilers, old gears, pulleys, discontinued patterns, molds, scraps of rods and bars and other steel shapes can be found lying around thousands of shops and factories.

Don't think because you only find a hundred pounds or so that it not important. Get it all back into the market—by the pound, the ton or carload.

Your country needs it!

Needed to boost production

OPM's Bureau of Industrial Conservation has started the wheels turning on an Industrial Salvage Program. I want those wheels to spin!

1. Act now.
2. Appoint a salvage man to ferret out "dormant" scrap and sell it promptly.
3. Give him the necessary authority to do a real job.
4. Bring this problem to the attention of every man in the plant. Encourage this participation.
5. Make this a continuous program.
6. Make this your problem.

For tanks, guns, planes, ships

You can return to our mills the additional scrap needed to boost production of tanks, guns, planes, and ships.

I expect every shop and factory to see that this scrap gets back into the market to help us do the job we all want done.

GET IN THE SCRAP!

OPM discourages use of new cloth, surgical tape in air raid precautions

OPM last week discouraged the purchase of new materials as blackout cloth, suggesting as substitutes articles found in the average home. Also, the use of ordinary gum, industrial, or scotch tape was recommended for application to windows as an air-raid precaution. Surgical tape contains critical materials.

Concerned over reports of large buying of so-called blackout cloth, R. R. Guthrie, chief of the textiles, clothing, and equipment branch of the Purchases Division, sent the following telegram to Lew Hahn, executive director of the National Retail Drygoods Association, New York:

"Would appreciate your cooperation regarding purchases of new materials for blackout usage. It is intent that no new yardage be used for this purpose. There is no official blackout cloth, and materials now in the homes and waste materials should be used. Please advise your members that it is our policy to discourage use of any kind of new materials. The present wave of buying will seriously hinder our war effort."

Blankets, overcoats will do

Mr. Guthrie said that a number of articles found around the home would serve the same purpose as so-called blackout cloth—that is, prevent light within a house from being visible from the outside and minimize the effect of shattered glass.

He suggested that windows and glass doors be covered with such things as blankets, quilts, bedspreads, carpets, rugs, draperies, or overcoats. They need not be black so long as they hold in the light.

Druggists can help

William M. Bristol Jr., head of the health supplies branch of the Purchases Division, said that, "the surgical adhesive tape contains three materials needed for defense—rubber, zinc, and cloth. It seems hardly necessary to point out that in the event of a bombing such tape might be needed for surgical dressings, and it would be unfortunate if the supply in some bombed locality had been exhausted through purchases of surgical tape for use on windows."

"Druggists," he said, "can help out by explaining the situation and recommending another material that will be equally effective."

U. S. mothers, children can aid war effort by saving every scrap of paper—Henderson

The mothers and children of America can give important help to their country's war effort in their own homes by making every house in America a unit in the national campaign to save waste paper, OPA Administrator Henderson said December 16.

For packaging weapons

Waste paper is the raw material from which is made the corrugated box containers that carry the weapons of war to the men on America's fighting fronts, the administrator pointed out in an appeal directed to every housewife in the country. Even before we were in the war the Government was already using one third of the Nation's paper box production for arms needs. Now the need has greatly increased and will continue to grow. If there are to be boxes enough, every scrap of paper needed in their manufacture should be saved.

"The boxes that carry the bullets to the front are made of last Sunday's newspapers," Mr. Henderson said. "Now America needs them for war. They are necessary material for the arsenal of freedom."

Suggestions for saving

Here are specific suggestions:

1. If you have children, make your son or your daughter responsible for saving all the newspapers, magazines, wrapping paper and other usable waste that used to go into the incinerator or ashcan. Give your child a job on the Home Front. Make your child a soldier in the battle against waste. Or take the responsibility yourself. Everyone wants to do his share now. And this is an important share.

2. Telephone a waste paper dealer, your favorite local charity, the Boy Scouts, or the Salvation Army. They will call at your door and collect all the paper you save for them. If you live in a city where a special waste paper headquarters has been set up by the industry (and there are already 37 of them), call that number. Information will give it to you.

3. Listen to your radio and watch your local paper. They will give you more news of the waste paper campaign.

4. Don't forget the Christmas wrappings and gift boxes already arriving at your home. They are made into boxes for weapons too. This year forget the "don't open until Christmas" labels, and turn those wrappings in now. Hide the presents in the closet instead.

5. Tell the neighbors on your street about the waste paper campaign. Help make your street 100 percent in this national effort. And husbands see that your offices aren't wasting paper. Every office needs a monitor now to watch those waste-baskets.

The material we used to burn

Mr. Henderson's appeal to households is another step in the national conservation campaign begun by the paper-consuming industries and calling for the

help of all State and local governments, every factory, every office and every home in the land to save the paper we used to burn so that there may be enough for America's war effort.

50 pounds a month per family

Fifty pounds of waste paper a month from every family in America is the quota which Mr. Henderson hopes will be collected for the needs of war.

Waste paper is the raw material of corrugated paper boxes. So many of these containers are needed for war shipments that an all-time record collection of 14 billion pounds of waste paper will be necessary this year in order to make boxes enough. The homes of America can salvage that much waste paper if every family saves at least 50 pounds a month.

Two newspapers a day, plus whatever magazines, wrapping paper and old boxes can be mustered, will make up a monthly bundle of 50 pounds or more, the OPA Administrator explained. Turned over to the paperboard mills through local waste paper dealers or charitable organizations the monthly family accumulations could produce a total return running into several millions of dollars a month at current waste paper prices. This would be a sizeable addition to the income of America's families and an important help to the budgets of organizations which raise money in this way for their charitable work.

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Iron and steel products "extras" clarified by OPA

A letter clarifying the definition of "extras" which may be charged on iron and steel products under Price Schedule No. 6, Iron and Steel Products, was sent to members of the steel industry December 20 by OPA Administrator Henderson.

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Group to fight gasoline waste

Appointment of a subcommittee of the Petroleum Industry Council for National Defense to determine measures for the prevention of waste in the use of petroleum and its products has been announced by W. R. Boyd, Jr., chairman of the council.

AGRICULTURE . . .

(Information furnished through Office of Agricultural Defense Relations,
U. S. Department of Agriculture)

Rubber planting stock reaches U. S. ahead of war; program to proceed on schedule

Despite war in the Pacific, the program to reestablish rubber production in the Western Hemisphere will proceed on schedule, the U. S. Department of Agriculture said December 16. Large quantities of propagating material representing the most promising strains now growing in the East have already been established in the Americas. Within the last few weeks a final shipment of 5,500 budded trees from the Philippines reached American shores safely.

Plant 15 million seeds in year

Nearly 15 million rubber seeds have been planted in Latin America since the program started about a year ago. This includes about 5 million seeds planted by U. S. commercial interests. The remainder have been planted as part of the cooperative rubber program in which the department is working closely with 12 Latin American governments.

From Mexico to Peru

The rubber seeds have been planted in nurseries from Mexico to Peru, at sites selected by rubber survey parties of U. S. and Latin-American rubber experts. These seeds, collected for the most part in the countries where they are to be grown, will be budded with high-yielding, disease-resistant strains chosen from all of the important rubber-growing areas of the world. Already, a start has been made in the budding operations in several countries. In 9 to 12 months after a stump is budded it grows into a tree 6 to 8 feet high, which usually supplies enough buds for 20 more seedlings.

U. S. world's greatest rubber consumer

Events of the last week emphasize the importance of establishing rubber growing on a commercial scale in the Western Hemisphere, the department said. The United States is the world's greatest consumer of rubber, and has been importing practically all of its supplies, normally about 600,000 tons annually, from British Malaya and the Netherlands East Indies.

Another phase of the rubber program is research to produce higher yielding and more disease-resistant strains, with which to develop an industry that can compete with existing sources of supply after the war. Headquarters for this

work are at Para, Brazil, and Turrialba, Costa Rica. Results of all investigations will be available to each of the cooperating Republics and to both large and small growers. The Hevea rubber tree is a native of Brazil and may be grown in any warm climate with a rainfall of at least 70 inches, well distributed throughout the year. Tapping may be started when trees are 4 to 5 years old.

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OF INTEREST TO FARMERS

SECOND-HAND BAGS made of bur-lap or cotton have been put under a price ceiling—page 19.

TIRES under the forthcoming rationing plan will be available to a limited group of essential truck operators—page 3.

SCRAP of all kinds, now lying unused on farms, is urgently needed in armament production—page 26.

War effort aided by food and fiber reserves stored under commodity loans

Reserves of food, feed, and fiber stored in the Ever-Normal Granary in times of abundance under commodity loan programs are making an effective contribution to the war effort, J. B. Hutson, president of the Commodity Credit Corporation said in his annual report to the Secretary of Agriculture on the activities of the organization during the fiscal year 1940-41.

Lend-lease requirements for cotton, corn, tobacco, wheat, and naval stores are supplied from stocks accumulated through loans and purchases by Commodity Credit, Hutson's report stated, while corn reserves accumulated in years of surplus harvest are providing additional feed supplies required for the planned expansion of the production of pork, dairy, and poultry products.

\$513,000,000 in loans and purchases

Commodity Credit loans and purchases amounted to approximately \$513,000,000 during the 12 months of the fiscal

Agricultural Defense Board set up by Wickard to bolster win-the-war effort

Secretary of Agriculture Wickard has created an Agricultural Defense Board and reorganized the department's administrative machinery "in order to increase to the fullest possible extent the contribution of the Department of Agriculture toward winning the war."

The Board is composed of: M. Clifford Townsend, director, Office of Agricultural Defense Relations; M. L. Wilson, director, Extension Service; H. R. Tolley, chief, Bureau of Agricultural Economics; R. M. Evans, Agricultural Adjustment and Conservation administrator; C. B. Baldwin, Farm Security administrator; Roy F. Hendrickson, Agricultural Marketing administrator; John B. Hutson, president, Commodity Credit Corporation; Earle H. Clapp, acting chief, Forest Service; Eugene C. Auchter, Agricultural Research administrator; Albert G. Black, governor, Farm Credit Administration; and Harry Slattery, Rural Electrification administrator.

year ending June 30, 1941. The commodities affected include cotton, corn, wheat, rye, barley, grain sorghums, tobacco, peanuts, prunes, raisins, turpentine, rosin, dairy products, and seed for conservation practices.

Substantial quantities redeemed

Substantial quantities of commodities, particularly cotton and wheat, pledged for loans in 1940 were redeemed in 1941 and sold by producers. Heavy liquidations of corn stocks during the fiscal year were also reported.

The total of loans and purchases is the largest expended in any one fiscal year.

Report describes loan operations

Operations of the various loan programs during the fiscal year are described in detail in the report, copies of which are available from the Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C.

HEALTH AND WELFARE . . .

First wartime nutrition poster shows 7 foods essential to good health

Federal Security Administrator Paul V. McNutt issued December 19 the first wartime poster in the nutrition campaign of his office of Defense Health and Welfare Services in order to get every American to "Eat the Right Food."

Seven foods that should be eaten daily to enable the average man, woman, and child to keep in good health are listed.

Girls like to dance with privates too—and boys don't want to see just the local "400"

College girls want the United States Army to change its "etiquette" for behavior of enlisted men at social functions, Mark McCloskey, director of recreation, Office of Defense Health and Welfare Services announced December 16.

Mr. McCloskey said that he had received a report from an Eastern women's college, growing out of a two-day conference called to discuss the subject "How Can Girls Help the Defense Program?"

The report, in part, is as follows:

"A torrent of dissent was loosed when the matter of dancing with soldiers came up for discussion. Part of the dissatisfaction has to do with the military rules of etiquette. 'When we dance with a nice boy who is a private,' one delegate said, 'the sergeant cuts in and that's the last we ever see of him.' It seems that the Army has a rule that a private can't cut in on a superior."

The other side of the picture, said Mr. McCloskey, is more serious. Emphasizing the importance of "all-out" volunteering for community hospitality, Mr. McCloskey said:

Same treatment for everyone

"To the young men of this country 'selective service' means the same treatment for everyone and no playing favorites. In too many towns, 'selective service' might be applied to community hostesses and dance partners as meaning a selection of the elite and no bids out to the girls from 'the other side of the track.'

Council of military, civilian specialists set up to meet health needs of population

Because of the importance of maintaining good health among the civilian and military population of all the countries fighting the Axis powers, the Office of Production Management authorized December 18 the setting up of a committee of health specialists from military and civilian life to ascertain the requirements of such a program and then to see to it that the supplies are produced and made available.

The committee, known as the technical council of the health supplies branch of OPM, is headed by William M. Bristol, Jr., chief of the OPM health supplies branch, and includes the following:

Dr. James A. Crabtree, executive secretary of the health and medical committee, Office of Defense Health and Welfare Services; Col. C. F. Shook, assistant chief of the finance and supply division, Office of the Surgeon General, United States Army; Capt. Carlton Andrus, chief of the planning division of the Bureau of Medicine and Surgery, United States Navy; and Maj. Clifford V. Morgan, chief of the Commodities Division, Office of the Under Secretary of War. Fred J. Stock, of the OPM health supplies branch, is secretary.

Council functions

It will be the responsibility of the technical council to ascertain the health supply requirements of the Army, Navy, and civilian population of the United States as well as the lend-lease countries; make recommendations for the production and distribution of such health supplies; insure the securing of necessary materials for the production of such supplies; and make recommendations to OPM concerning the production and distribution of items (such as garbage pails and screens) not classified as health supplies but essential for sanitation.

Acts in advisory capacity

The council will act in an advisory capacity and make recommendations concerning:

1. The securing from commodity branches of allocations of raw or essential materials or products that are, in the opinion of the council, essential for the maintenance of health.
2. Approval of requisitions and purchases for health supply items for the Army, Navy, all Federal agencies, lend-lease countries, American Red Cross, and other war relief organizations.
3. Issuance of priorities for commodities that are not specifically under allocation.
4. The relative degree of necessity of all items classified as health supplies and the allocation of available materials for production on the basis of such determination.

Mr. Bristol said health supply requirements cut across the whole defense program and it is vital to see to it that supplies necessary for health are made available even when they involve critical materials.

"Men in uniform are a cross section of the USA. There are some few enlisted men who may be used to spending their leisure time in the rarified atmosphere of country clubs or cafe society; there are plenty more who are used to finding their fun in the church social, the corner movie, the nickel dance hall, the trade-union boat ride, and the manifold other folk ways of the great American public.

"The 'Colonel's Lady' and the bank president's wife—and their daughters—are needed in this community hospitality program for soldiers and sailors—and they are doing a good job. But the Judy O'Gradys are needed too."

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CHRISTMAS WAR MENU RICH IN VITAMINS

It's the new trimmings on the turkey that put the health "plus" into Christmas dinner, according to Dr. Helen S. Mitchell, principal nutritionist of the Office of Defense Health and Welfare Services, Federal Security Agency.

Her Christmas war menu:

TOMATO JUICE—WITH WHOLE-WHEAT CRACKERS
RELISHES—CELERY, RADISHES, AND GREEN PEPPER STRIPS
ROAST TURKEY AND DRESSING—CRANBERRY SAUCE
MASHED SWEET POTATOES—BUTTERED BROCCOLI
ENGLISH PLUM PUDDING—WINE SAUCE
COFFEE OR MILK—FRESH FRUITS AND NUTS

CIVILIAN DEFENSE . . .

Wing commanders named to enroll licensed civilian pilots for Civil Air Patrol

Wing Commanders who will enroll licensed civilian pilots of both sexes for the new Civil Air Patrol for the duration of the war were announced last week by the Office of Civilian Defense.

The Civil Air Patrol will enlist 90,000 licensed pilots, 90,000 student pilots who will be licensed by spring and a ground personnel estimated at 100,000 persons. It will include approximately 23,000 privately owned civil aircraft and 2,000 airports in the United States on which there are no military or scheduled airplane operations, as well as hangers, shops, etc. The Civil Air Patrol will be under the command of Maj. Gen. John F. Curry, U. S. A. Air Corps, who has been assigned by the Army to the Office of Civilian Defense and designated by Director F. H. LaGuardia as National Commander.

Wing commanders and States served

Alabama, Birmingham, Harold F. Wood; *Arizona*, Phoenix, Carl C. Knier; *Arkansas*, Little Rock, Gilbert Leigh; *California*, Los Angeles, Bertrand Rhine; *Colorado*, Denver, Maj. W. W. Agnew; *Connecticut*, Newington, Thomas H. Lockhart; *Delaware*, Wilmington, Holger Horriis; *Florida*, West Palm Beach, Maj. Wright Vermilya, Jr.; *Georgia*, Atlanta, Winship Nunnally; *Idaho*, Boise, A. A. Bennett; *Illinois*, Evanston, Jack Vilas, Sr.; *Indiana*, Indianapolis, Walker W. Winslow; *Iowa*, Cedar Rapids, Lt. Col. Daniel F. Hunter; *Kansas*, Anthony, J. Howard Wilcox; *Kentucky*, Louisville, Albert H. Near; *Louisiana*, New Orleans, Byron A. Armstrong;

Maine, Portland, Guy P. Gannett; *Maryland*, Rockville, Arthur C. Hyde; *Massachusetts*, South Hamilton, Gordon Chickering Prince; *Michigan*, Lansing, S. B. Steers; *Minnesota*, Minneapolis, Maj. Leslie L. Schroeder; *Mississippi*, Jackson, Mitchell Robinson; *Missouri*, St. Louis, Maj. William B. Robertson; *Montana*, Billings, Herman H. Henrickson; *Nebraska*, Lincoln, I. V. Packard; *Nevada*, Reno, E. J. Questa; *New Hampshire*, Concord, Russell Hilliard; *New Jersey*, Summit, George A. Viehmann; *New Mexico*, Santa Fe, Harlee Townsend, Jr.; *New York*, Garden City, L. I., Beckwith C. Havens; *North Carolina*, Asheville, Mark Reed; *North Dakota*, Wahpeton, Arthur M. Sampson;

Ohio, Cleveland, Earle L. Johnson; *Oklahoma*, Oklahoma City, Moss Patterson; *Oregon*, Portland, Capt. Leo G. Devaney; *Pennsylvania*, Hummelston, William L. Anderson; *Rhode Island*, Hills Grove Willard M. Fletcher; *South Carolina*, Columbia, Dexter C. Martin; *South Dakota*, Pierre, T. B. Roberts, Jr.; *Tennessee*, Nashville, Lt. Col. Herbert Fox; *Texas*, Dallas, D. Harold Byrd; *Utah*, Salt Lake City, Joseph Bergin; *Vermont*, Burlington, Frederick W. Shepardson; *Virginia*, Richmond, Allan C. Perkinson; *Washington*, Spokane, Philip H. Hinkley; *West Virginia*, Charleston, David M. Giltinan; *Wisconsin*, Waukesha, Seth W. Pollard; *Wyoming*, Cheyenne, Dillard Walker.

The Wing Commanders from each of the 48 States flew to Washington last week for a series of conferences with

General Curry and for final detailed instructions concerning their organization.

A comprehensive pamphlet which includes application blanks and requirements was mailed to all 48 Governors, to State aviation authorities, to the field officers of the Civil Aeronautics Administration, and to airport managers throughout the United States.

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IN CIVILIAN DEFENSE

RATIONING to be applied by local defense councils—pages 3, 10.

BLACKOUT CLOTH—Buying new materials hinders defense. Cloth already in the home will do the job—page 27.

SURGICAL TAPE contains important materials; other adhesives should be used for taping windows—page 27.

FLASHLIGHTS should not be bought new when old ones around the house can be restored to usefulness—page 13.

PRODUCTION should go on during test blackouts, OCD says—page 9.

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Four new communities added to housing critical area list

With the accelerated rate of production under the Victory Program drawing more and more factory workers into the national effort, the Priorities Division announced December 18 the addition of four new communities to the defense housing critical area list.

The assistance of high priority ratings will be extended to builders of privately financed housing for war industry workers, in Pueblo, Colo.; Ashtabula, Ohio; Woonsocket, R. I.; Wheeling, W. Va. (Martin's Ferry, Ohio, locality).

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the **FEDERAL REGISTER**, are carried in the weekly **SUPPLEMENT OF VICTORY**. The **SUPPLEMENT** will be mailed to any paid subscriber of **VICTORY** on request to the Distribution Section, Division of Information, OEM.

Palmer reports total of 105,927 defense homes now being built or completed

Charles F. Palmer, Coordinator of Defense Housing, announced December 17 that 1,045 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ending December 13, making a total of 60,357 completed or occupied.

With 125 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 105,927.

Federal funds have already been allotted for 126,889 defense homes.

FHA-inspected privately financed homes started during the week totaled 3,390. Since January 1941, 207,515 such homes have gone into construction.

The total number of dormitory units for occupancy by single defense workers has reached 6,678.

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Housing priority applicants will be required to report rent or sale price

Owners of privately financed defense housing, operating with the assistance of Preference Rating Order P-55, are required to make definite statements as to the amounts at which they will sell or rent the properties they construct, in a new application form issued December 19 by the Priorities Division.

They must also agree to erect signs, legible at a distance of 100 feet, on which are lettered the serial number assigned to the project, and sale and rental prices of the family units under construction.

The new form calls for certain additional statements, among them a schedule showing the number of new houses to be started each month, and an agreement by the builder to keep copies of all of his purchase orders to which he applies the rating issued, and to make reports as called for.

The new form PD 105 Revised, supersedes PD 105 and PD 105a. It may be used beginning December 22. Beginning January 1, 1942, all applications for priority assistance in the construction of approved defense housing must be made on it. These forms may be obtained from the local offices of the Federal Housing Administration and from building and loan associations.

Members of baking committee named

The Bureau of Industry Advisory Committees has announced the membership of the baking industry advisory committee.

John T. McCarthy, consultant to the food supply branch of the Division of Purchases, OPM, is Government presiding officer.

Members are:

Charles Montgomery, vice president, National Biscuit Co., New York, N. Y.; Robert Johnson, treasurer, Johnson Biscuit Co., Milwaukee, Wis.; Morris Messing, manager, Messing Bakeries, Inc., Brooklyn, N. Y.; Frank Rushton, president, Rushton Baking Co., Kansas City, Mo.; Ralph Ward, president, Drake Cake Co., Brooklyn, N. Y.; Albert W. Lantz, president, Lantz Bros., St. Louis, Mo.; M. Lee Marshall, president, Continental Baking Co., New York, N. Y.; Henry Stude, vice president, Purity Bakeries Corporation, Chicago, Ill.; J. W. Carence, president, Campbell-Taggart Assoc. Bakeries, Dallas, Tex.; G. R. Williams, president, Williams Bakery Inc., Scranton, Pa.; E. Franz, president, United States Bakery, Portland, Oreg.; William Wolf, president, William Wolf Baking Co., Baton Rouge, La.; C. W. Swanson, vice president, Worcester Baking Co., Worcester, Mass.; Paul N. Helms, president, Helms Bakery, Los Angeles, Calif.; Sterling Donaldson, president, Donaldson Baking Co., Columbus, Ohio; W. D. Ebinger, president, Ebinger Baking Co., Brooklyn, N. Y.; Jack Koenig, Jr., prop., Koenig's Bakery, Chicago, Ill.; E. H. Fisher, vice president, Fisher Bros. Co., Cleveland, Ohio.

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Weinberg appoints distilled spirits industry committee

Sidney J. Weinberg, chief of the Bureau of Industry Advisory Committees of the OPM, announced December 16 the formation of a distilled spirits industry advisory committee.

Committee members are:

Samuel Bronfman, president, Jos. E. Seagram & Sons, Inc., Chrysler Bldg., New York, N. Y.; Harry C. Hatch, president, Hiram Walker-Gooderham & Worts, Ltd., Walkerville, Ontario, Canada; James F. Brownlee, president, Frankfort Distilleries, Inc., Columbia Building, Louisville, Ky.; Julian P. VanWinkle, president, Stitzel-Weller Distillery, Shively, Ky.; A. Smith Bowman, proprietor, A. Smith Bowman Distilling Co., Sunset Hills, Fairfax County, Va.; John C. Quinlan, vice-president, Century Distilling Co., Board of Trade Building, Chicago, Ill.; Lewis S. Rosenstiel, chairman of the board of directors, Schenley Distillers Corporation, Empire State Building, New York, N. Y.; Seton Porter, president, National Distillers Products Corporation, 120 Broadway, New York, N. Y.; Owsley Brown, president, Brown-Forman Distillers Corporation, Louisville, Ky.; I. Strouse, vice-president, Baltimore Pure Rye Distilling, Dundalk, Baltimore Co., Md.; L. J. Gunson, president, Continental Distilling Corporation, Philadelphia, Pa.; Warren Oakes, vice-president, Fleishman Distilling Corporation, Peekskill, N. Y.

INDUSTRY ADVISORY COMMITTEES

Sidney J. Weinberg, chief of Bureau of Industry Advisory Committees, announced December 15 that 24 main committees and 82 subcommittees have been fully organized in the following industries:

Steel valve, turbine and gear, shoe and leather, hosiery, fruit, fish, and vegetable canning, baking, rayon producers, cordage, burlap importing and bag manufacturing, can manufacturers, automotive, rubber, radio, pulp and paper, plumbing and heating, farm machinery and equipment, iron and steel, protective and technical coatings, distilled spirits, copper and zinc, cork, electrical, die casting, and waste materials dealers.

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A. C. Brett, R. J. deCamp named to key posts in contracts clearance

Two changes in important positions in the contracts clearance branch of the Division of Purchases, OPM, were announced December 16 by Douglas C. MacKeachie, Division director.

Brett succeeds Hiram Brown

Alden C. Brett, treasurer and controller of the Hood Rubber Co., Watertown, Mass., has been appointed acting chief of the contracts clearance branch. He succeeds Hiram Brown, who has resigned to return to private business.

Mr. Brett is on loan from the Hood Rubber Co. with which he has been associated for the past 20 years. His home is in Belmont, Mass.

R. J. deCamp named assistant chief

Robert J. deCamp, banker industrialist, and contractor, has been appointed assistant chief of the contracts clearance branch. He succeeds Col. H. B. Hayden who has been transferred to the Office of the Coordinator of Inter-American Affairs headed by Nelson Rockefeller.

Mr. deCamp was with the Chase National Bank 15 years and with the National City Bank of New York 7 years. He spent 8 years in the principal capitals of Europe during which he handled financial negotiations with European governments and corporations. Mr. deCamp has had broad industrial experience both in management and reorganization work.

Bakery committee discusses reduction of distributing costs

In line with the Office of Price Administration's policy of stabilizing prices of bakery products, the newly formed bakery industry advisory committee has discussed with representatives of the OPM and OPA ways of reducing distribution and packaging costs.

Quality would not be affected. The industry representatives were unanimous in belief that in wartime it was more necessary than ever to maintain high nutritional standards because of the added strain imposed on those in civilian life as well as in military service.

Eager to cooperate

The industry representatives expressed themselves as eager to cooperate with OPM and OPA in every way possible to stabilize prices.

There was unanimity of feeling on the following points:

1. Greater economy is possible in the use of packaging and wrapping materials, such as greater reuse of corrugated and fiber containers in which bread is shipped, the use of substitutes, and reduced materials.

Discontinuing of premiums favored

2. Considerable economy can be had in the field of trade practices. The baking industry representatives all favored curtailment of unnecessary sales and distribution expenses, such as discontinuing premiums, combination offers, free goods, prizes, and furnishing display racks and other facilities in stores.

3. Better control of stale returns was also recommended. The feeling was that a considerable saving would result by reducing the quantity of bakery products returned as stale.

A. C. Hoffman, who represented OPA at the meeting, warned the industry not to stock up on materials in anticipation of possible price increases or curtailment of supply. Such buying, he said, would only add to undesirable speculative activity.

J. T. McCarthy, in charge of the bakery section of the food supply branch of the Division of Purchases and Government presiding officer of the bakery advisory committee, added that regulations might later be issued governing wrapping and packaging materials that would render without value any materials that might now be stocked up.

OPM order limits sugar inventories; amendment relieves hardships in December

The Office of Production Management on December 20 amended the sugar conservation order of December 13 (General Preference Order M-55) in order to give manufacturers and distributors of direct-consumption (refined) sugar an opportunity to adjust their operations between now and the end of the year.

The order issued December 13, 1941, restricted delivery of direct-consumption sugar to the quantity delivered to a particular manufacturer or distributor in the corresponding month of 1940. Thus, the amount of sugar that any manufacturer or distributor could receive during this month was the same amount he received during last December.

Inasmuch as large quantities of sugar had been sold or used during the early part of the month prior to the issuance of the order, many manufacturers and wholesalers found themselves in a position where the quantity of sugar they had on hand was inadequate to meet their requirements for the remainder of the month.

In order to avoid loss of employment or undue hardship due to this condition, the amendment permits such manufacturers and distributors to receive additional supplies of sugar up to 15 percent of the average of their monthly use or resale during the months of September, October, and November 1941.

In determining the amount the manufacturer or distributor may receive, he must of course, deduct from this 15 percent of his average use in September, October, and November of 1941 the stocks he now has on hand, and must file a statement with his primary distributor in a form prescribed in the amended order indicating that he is entitled to the deliveries of the sugar applied for.

Beginning January 1, 1942, manufacturers and distributors will be required to regulate their operations so as to comply with the sugar allotments fixed in the original sugar order.

The amendment also defers until January 15, 1942, the deadline for filing reports.

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Chlorine to be allocated

All chlorine produced in the United States will be subject to direct allocation after February 1, 1942, in accordance with the terms of an amendment to General Preference Order M-19 issued December 20 by the Director of Priorities.

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Vanadium under allocation

Vanadium was placed under a complete allocation system December 20 by the Director of Priorities.

Bleaching powder prices stabilized by agreement

Prices of bleaching powder, vitally needed by America's armed forces in increasing quantities for protection against poison gas and disease, have been stabilized by a series of individual agreements with producers, OPA Administrator Henderson announced December 19.

The agreements set maximum prices for 1942 deliveries. They were concluded in anticipation of more formal ceiling action later.

The temporary maximum prices for bleaching powder set by the agreements are as follows (all prices are per 100 pounds in drums f. o. b. at the producers works):

	800-pound drums	333-pound drums	100-pound drums
Carload lots.....	\$2.25	\$2.70	\$3.10
5 drums or more.....	2.50	2.75	3.35
Less than 5 drums.....	2.75	3.00	3.60

Tungsten orders extended

General Preference Order M-29, which provides for the control and allocation of tungsten metal powder, ferro-tungsten, and tungsten compounds, has been extended six months to June 30, 1941, by the Director of Priorities.

Supplementary Order M-29-a, which exempts purchasers of 100 pounds or less of contained tungsten in any month from filing reports required of larger users, has been similarly extended. Both orders would have expired December 31, 1941.

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CONSUMER DIVISION: Leon Henderson, *Administrator*. Dan A. West, *Deputy Director*.

SUPPLY PRIORITIES AND ALLOCATIONS BOARD: The Vice President of the United States, *Chairman*.

Donald M. Nelson, *Executive Director*.

The Secretary of War.

The Secretary of the Navy.

William S. Knudsen.

Sidney Hillman.

Harry Hopkins.

Leon Henderson.

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner*.

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PURCHASES DIVISION: Douglas C. MacKeachie, *Director*.

PRIORITIES DIVISION: Donald M. Nelson, *Director*.

MATERIALS DIVISION: William L. Batt, *Director*.

CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

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LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

VICTORY

formerly **DEFENSE**



OFFICIAL WEEKLY BULLETIN OF THE AGENCIES IN THE OFFICE FOR EMERGENCY MANAGEMENT

WASHINGTON, D. C.

DECEMBER 30, 1941

VOLUME 2, NUMBER 52

DEFENSE PROGRESS

MANPOWER

National labor force, Nov.....	53,300,000
Unemployed, Nov.....	3,900,000
Nonagricultural workers, Oct....	*40,749,000
Percent increase since June 1940	14
18 defense industries, Oct.....	*2,700,000
Percent increase since June 1940	69

FINANCE

June 1940 to latest reporting date	(In millions of dollars)
Authorized program, Dec. 15.....	74,507
Obligations, Nov. 30.....	47,687
Total disbursements, Dec. 15.....	*14,313

PRODUCTION

Paid on contracts, June 1940-	
November 30, 1941.....	\$10,488,000,000
Combat vessels in November	2
Merchant ships, November.....	11
Week ended December 27	Strikes Workers
Significant defense strikes in progress during week.....	3 1,000
Number settled.....	2 600

*Preliminary.

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Review of the Week

Christmas week, 1941, brought a major Japanese assault on the Philippines and the bombing of the open city of Manila. The week also brought British Prime Minister Churchill to Washington to map over-all war policy with President Roosevelt, and it brought other conferences in Moscow and Chungking. But underlying these headlines was another series of events. Typical of these was the fact that Supply Minister Beaverbrook accompanied his prime minister, and took part in a White House conference attended also by leaders of the agencies in the Office for Emergency Management.

Tire list exclusive

These leaders and their agencies were working as never before to excise the fat and build the muscle of America. Two days after Christmas the Office of Price Administration announced the uses for which the sale of new automobile tires will be permitted after January 4—and the list is every bit as exclusive as advertised. While the Production Division of the Office of Production Management continued its effort to work machines longer and harder and get the last ounce of output from existing war-material facilities, the Contract Distribution Division moved to marshal many factories now making civilian goods. The Division's deputy director confirmed plans for a series of conferences to that end, and told a House committee that some \$3,900,000,000 worth of weapons and munitions a year might be added by halfway conversion of 15 durable goods industries.

74½ billions for war

The war effort these measures were to meet had grown, according to new figures from the OPM Bureau of Research and Statistics, to nearly 74½ billion dollars. With foreign transactions in the United States, the total exceeded 78 billions.

To insure the delivery of materials and the men who will use them, President Roosevelt created within the Office for Emergency Management an Office of Defense Transportation. Joseph B. Eastman, chairman of the Interstate Commerce Commission, was appointed director.

The President's labor-management conference reached an agreement putting aside strikes and lock-outs for the duration of the war, and recommended appointment of a war labor board to settle disputes. The National Defense Mediation Board passed its fifth consecutive week without a strike among the cases under its consideration.

Tripling synthetic rubber plans

The tire rationing plan grants no new tires to passenger automobiles for purely personal purposes, and sharply restricts tires for trucks. The organization of local tire-rationing boards went forward in every State during the week. An inventory of all new tires and tubes was in progress. New automobiles delivered were limited to four tires each. At the same time the tripling of America's synthetic rubber program was given preliminary approval by the Supply Priorities and Allocations Board. Federal Loan Administrator Jones's plan is expected to bring the total capacity to 120,000 tons a year in 1943, if the OPM Priorities Division can find construction materials.

Meanwhile the Priorities Division announced Federal control over all imports of antimony, cadmium, chromium, copper, graphite, kyanite, lead, mercury, rutile, tungsten, vanadium, zinc, and zircon. This step followed similar action the previous week on tin.

Burlap reserved for military use

The entire supply of burlap, which comes from India, was subjected to allocation and all peacetime uses were cut off with the exception of agricultural and chemical consumption. The OPM Bureau of Industrial Conservation asked users to conserve and salvage burlap in their possession.

The Priorities Division strengthened the basic Priorities Regulation No. 1. Most important change provided that all rated orders, including those bearing the B designation given to civilian essentials, must be accepted in preference to nonrated orders. A-10 was assigned to all defense orders not otherwise rated.

Further tightening its control, the Division withdrew all priority aid from six

companies held to be violators of priority rules.

A maintenance, operating and supply order was issued to insure uninterrupted operation in the complete cycle of production for copper, lead, zinc, antimony, mercury, and cobalt. The order controlling the distribution of zinc was extended to March 31, 1942.

Strict control was imposed on the use of materials for the development of new oil and natural gas wells. A preference order put into effect the supplying of materials to certain privately financed homes for which foundations were in place October 9.

Price Administrator Henderson announced that OPA was reviewing its price ceilings in the light of the pending legislation. He said the schedules apparently would stand with minor revision except in the case of agricultural commodities.

Responsibility on retailers

In an open letter, Mr. Henderson put it up to retailers to see that their prices for sugar reflect the stability imposed by OPA at the wholesale level.

Also, OPA put a ceiling on leather to forestall increases in the prices of shoes and other leather products. With revised schedules on cotton "fine" goods and combed cotton yarns, OPA completed its program to relate all its existing ceilings in the cotton textile field to the price of "spot" cotton.

The maximum price schedule for iron and steel scrap was revised to encourage increased collection and the flow of particular types to the plants where they will be most useful.

Food is plentiful

Secretary of Agriculture Wickard said food was plentiful and there was little excuse for any substantial increases in price. Health and Welfare Director McNutt declared that in view of this situation hoarding was unnecessary and a four days' supply of several essentials was all any family need keep.

Civilian Defense Director LaGuardia said in a press conference that indifference had vanished but Americans must show willingness to obey rules. The Office of Civilian Defense issued official instructions on field medical units, further clarified its relations with the Red Cross, and warned against using old gas masks.

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OPA reveals classes eligible for new tires, method of getting them under ration plan

Classifications of vehicles for which new tires and tubes may be purchased on proper showings to local tire-rationing boards, under the rationing plan to go into effect January 5, were announced December 27 by Leon Henderson, administrator, Office of Price Administration.

The list is designed to insure continuance of operation of vehicles required for the public health and safety, vehicles with a capacity of 10 or more passengers required for transportation purposes, and for essential truck operations.

The restrictions on sales of new tires and tubes are the result of Japanese attacks on rubber-growing areas in the Far East from which the United States ordinarily imports close to 98 percent of its crude rubber. These attacks have imperiled future imports and have necessitated rigid restrictions on the use of crude-rubber stocks already in this country and on sales of new tires held in manufacturers' and dealers' inventories.

Military demands large

The need for conservation of existing crude rubber and new tire stocks as well as for extreme care by all automobile and truck operators in use of their vehicles has been enhanced further by the fact that a very large part of existing rubber stocks must be reserved for military requirements. Only a very small supply will be available each month for civilian use and but few tires will be manufactured for civilian use until the rubber supply situation is cleared up.

In announcing the classifications of eligible buyers, Mr. Henderson urged that all vehicle operators, including particularly those not listed in the classifications, take steps immediately to reduce the amount of driving they are doing. He suggested that unnecessary driving be stopped entirely and that wherever possible car owners "double up" in driving to work, thus making one car and one set of tires do the work of three or four cars and sets of tires in transporting single occupants. Furthermore, he urged that all vehicle operators strive to lengthen the life of their tires and conserve rubber by reducing the speeds at which they drive, by keeping their tires inflated to the proper levels, and by avoiding injury to tires through hitting obstructions.

Persons on the eligible list seeking to buy new tires will have to fill out appli-

cation forms to be provided. The applicant will then have to get this approved by an inspector. The inspectors will be dealers or garagemen authorized by the local rationing boards to inspect and report on the condition of the applicant's tires.

If the inspector finds that the tire or tires which the applicant desires to replace are unsafe, cannot be repaired, reconditioned, or retreaded, and that a new tire is necessary for the operation of the vehicle, he will so certify on the application form.

The applicant will then take this form to the local board for review. If the board decides the applicant's vehicle falls within the eligible classification and the need for such tire is properly certified by an authorized inspector, the board may issue a certificate to the applicant for the purchase of the desired tire. The number of tires which may be sold in any State or county will be limited by quotas to be established each month.

Following is the "Eligibility Classification" established by the Office of Price Administration:

List of vehicles which may be equipped with new rubber tires, casings, or tubes

No certificate shall be issued unless the applicant for the certificate certifies that the tire, casing, or tube for which application is made is to be mounted:

(a) On a vehicle which is operated by a physician, surgeon, visiting nurse, or a veterinary, and which is used principally for professional services.

(b) On an ambulance.

(c) On a vehicle used exclusively for one or more of the following purposes:

1. To maintain fire-fighting services;
2. To maintain necessary public police services;
3. To enforce such laws as relate specifically to the protection of public health and safety;
4. To maintain garbage disposal and other sanitation services;
5. To maintain mail services.

(d) On a vehicle, with a capacity of 10 or more passengers operated exclusively for one or more of the following purposes:

1. Transportation of passengers as part of the services rendered to the public by a regular transportation system;
2. Transportation of students and teachers to and from school;
3. Transportation of employees to or from any industrial or mining establishment or construction project, except when public transportation facilities are readily available.

(e) On a truck operated exclusively for one or more of the purposes stated in the preceding sections or for one or more of the following purposes:

1. Transportation of ice, and of fuel;
2. Transportation of material and equipment for the building and maintenance of public roads;

3. Transportation of material and equipment for the construction and maintenance of public utilities;

4. Transportation of material and equipment for the construction and maintenance of production facilities;

5. Transportation of material and equipment for the construction of defense housing facilities and military and naval establishments;

6. Transportation essential to render roofing, plumbing, heating, and electrical repair services;

7. Transportation by any common carrier;

8. Transportation of waste and scrap materials;

9. Transportation of raw materials, semi-manufactured goods; and finished products, including farm products and foods, provided that no certificate shall be issued for a new tire, casing, or tube to be mounted on a truck used (a) for the transportation of commodities to the ultimate consumer for personal, family, or household use; or (b) for transportation of materials for construction and maintenance except to the extent specifically provided by subsections 2, 3, 4, 5, and 6 of this section (e).

(f) On farm tractors or other farm implements, other than automobiles or trucks, for the operation of which rubber tires, casings, or tubes are essential.

(g) On industrial, mining, and construction equipment, other than automobiles or trucks, for the operation of which rubber tires, casings, or tubes are essential.

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Tripling of synthetic rubber program approved by SPAB, subject to priorities study

The Supply Priorities and Allocations Board on December 23 approved tripling of America's present synthetic rubber production program, subject to detailed examination of the program by the Division of Priorities to make certain that sufficient materials can be provided for construction and operation of the new plants.

This action was taken after presentation to SPAB by Jesse Jones, Federal Loan Administrator, of a program being worked out by him with the industry and designed to give the Nation an annual production of 120,000 tons of synthetic rubber. Productive facilities for synthetic rubber now under construction will have a capacity of 40,000 tons per year.

Mr. Jones explained that, if the program were approved immediately, construction of the increased facilities could begin promptly. It is expected that all of the new plants can be in production early in 1943.

SPAB directed the OPM Division of Priorities to proceed at once to work out with the RFC detailed tables of the materials required to execute the program.

CONTRACT DISTRIBUTION . . .

Some \$3,900,000,000 in war materials annually might be made by conversion of 15 durable goods industries, Wheeler says

Walter H. Wheeler, Jr., deputy director of OPM's Contract Distribution Division, estimated December 23 that perhaps \$3,900,000,000 worth of war material could be produced annually by industry-wide conversion of 15 durable goods industries from civilian to war production.

Testifying before the House Committee Investigating National Defense Migration, Mr. Wheeler said the OPM was planning conversion conferences with a number of such industries. All the interested divisions of OPM, including Contract Distribution, Production, and Purchases, would participate in these conferences, he added.

Only one industry-wide move so far

The Contract Distribution Division has already assisted many thousands of individual plants in these and other industries to convert from civilian to war production, Mr. Wheeler testified, but the only industry-wide conversion completed to date is that involving the domestic washer and ironer industry, which has received contracts to make machine-gun mounts. Because of the necessity for large-scale results in the shortest possible time, he said, the OPM is now concentrating on industry-wide conversions.

Based on 50 percent cut

On the basis of preliminary surveys he estimated that, if production of normal goods were cut on an average of 50 per-

cent of 1939 levels, the industries shown in the accompanying table would have capacity available for war production as stated.

Mr. Wheeler expressed the personal opinion that an excess profits tax, limiting profits to 1941 levels, was advisable. He said he believed such taxation would enable Government procurement officers to place orders quickly with the knowledge that, even if the prices asked by some producers proved eventually to be too high, the Government would recover the excess through taxation.

Cost is higher in smaller plants

Mr. Wheeler explained that the cost of war production in moderate size plants sometimes runs 30 to 40 percent more than in larger mass production plants, and that initial arms orders often involve conversion costs similar to those of bringing out new models. If there is long delay while these costs are being figured, he added, "the parade will go by" before maximum production is attained.

Holds "moderate-size" plants must be used

He said that, prior to the Japanese attack on Pearl Harbor, the volume of war orders had been insufficient to use all qualified sources of such production. But he expressed the opinion that all suitable "moderate-size" plants in the country must be used to turn out the orders now in prospect.

First "subcontracting department store" opened in St. Louis; 7 more scheduled by January 10

OPM's first "department store of subcontracting," a permanent exhibit in which samples of needed defense equipment and parts will be shown to prospective producers opened December 23 on the Eighth floor of the Boatmen's Bank Building in St. Louis.

Pieces of war goods to be exhibited

Bits and pieces of needed war goods will be exhibited by 48 holders of large war contracts and by the Army, the Navy, and the United States Maritime Commission.

Advice will be available

Articles displayed in the exhibit hall will be changed from time to time as those previously shown are placed under contracts or subcontracts. A representative of the Contract Distribution Division will be available regularly to advise manufacturers who believe they can make items exhibited. In many instances, the items will be tagged with a price mark indicating the figure at which contracts or subcontracts will probably be placed.

Other exhibits scheduled

Similar exhibits are scheduled to open between now and January 10 in the following cities:

Philadelphia.—Broad Street Station Building. This exhibit, in which 29 prime contractors have already agreed to participate, will open before January 1.

New York.—Chanin Building, 122 East Forty-second Street. This exhibit, in which 31 prime contractors have agreed to participate, will open before January 1.

Cleveland.—Union Commerce Building. Twenty-five prime contractors have agreed to take part in this display, which probably will open before January 1.

Los Angeles.—Western Pacific Building. Scheduled to open about January 5.

Chicago.—Civic Opera Building. Scheduled to open about January 5.

Atlanta.—Hurt Building. Scheduled to open about January 7.

Detroit.—Boulevard Building. Grand Boulevard and Woodward Avenue. Scheduled to open about January 10.

Total of 48 to be operated eventually

Twenty additional permanent exhibits are expected to be opened by the end of January, and a total of 48 will be operated eventually in as many industrial centers.

Industry	Usable capacity (in dollars)	Potential use when converted
Farm implement.....	231 millions.....	Tanks.
Cooking utensils, aluminum ware.....	54 millions.....	Hurricane lamps, bomb components, tail fin assemblies, magazine holders, engine cowlings.
Household appliances.....	36 millions.....	Bombs, aircraft components.
Metal furniture.....	76 millions.....	Airplane fins, rudders, boilers, bombs, ammunition boxes.
Refrigerator cooling and air conditioning.....	481 millions.....	Fuel tanks, general sheet metal work, including engine cowlings, small compressors, fuse cylinders, mine sinkers, engine castings, magneto parts, bomb components, searchlight and motor parts and smoke shells.
Bolts.....	51 millions.....	30 and 50 calibre ammunition.
Sewing machines.....	18 millions.....	Rifle and pistol parts.
Railroad and street cars.....	101 millions.....	Tanks, gun mounts, projectiles.
Fountain pens and pencils.....	15 millions.....	Primers, igniters, fuse components.
Office machinery.....	90 millions.....	Ammunition, rifle and pistol components.
Light fixtures.....	75 millions.....	Cartridge cases, fuse and primer components.
Stoves.....	125 millions.....	Main assemblies, such as wings, rear fuselages, etc., general aircraft sheet metal work, small assemblies such as fins, tail planes, rudders, etc., radiators, boilers, smoke bombs, ammunition boxes, shell casings, cylinder and fuse containers, smoke floats, shell turnings, land mines, trench mortar bombs.
Automobile industry.....	2½ billions.....	Airplane components, gun mounts.
Wiring devices.....	47 millions.....	Ammunition components.
Rubber tires.....	undetermined.....	Tanks, turret parts, treads, etc.

Odlum plans conferences to convert many industries to war production

Following the recent conversion of the domestic washer and ironer industry from civilian to war production, Floyd B. Odlum, director of the Contract Distribution Division of OPM, decided to ask the Armed Services and other OPM divisions to join with the Contract Distribution Division in a series of conversion conferences with many industry committees, especially in the durable goods field.

This move was announced by Mr. Odlum at a meeting of the domestic washer and ironer industry in Cleveland on December 15.

Mr. Odlum's address follows, in part:

You are the first industry to be converted from civilian production to war production. You are doing this quickly by working with the Government through a committee representing your entire washer and ironer industry. You have pooled your best engineering brains and made them available to the smallest plants in your industry; you have agreed to divide the work into those parts that each can do best; you have placed primary responsibility for the completion of your contracts on the shoulders of three larger members. In this way you have made it possible to complete the conversion in a fraction of the time required if each plant were working on its own.

Series of conversion conferences

As a result of your outstanding success, I have decided to ask the Armed Services and the other divisions of OPM to join with my Contract Distribution Division in a series of conversion conferences with many industry committees, especially in the durable goods field.

In 1941 we produced approximately \$25,000,000,000 worth of durable goods. We have the capacity to produce much more. By far the bulk of this capacity has not yet been shifted from civilian to war work. Some of it cannot be converted, it is true; and some must be kept at the job of making essential civilian goods. But we must work out many additional conversions right now if we are to overcome Hitler's 6-year head start; and I am convinced that the fastest single method of doing it is by working along industry-wide lines, as you have.

Many other industries have grave problems. A recently compiled list shows those already subject to priorities and curtailment orders. They include the

automobile industry, the refrigerator industry, the vacuum cleaner industry, and furniture manufacturers, to mention only a few.

OPM branches must work together

Established industrial branches in the different divisions of OPM have primary responsibility for dealing with the corresponding committees of industry. Naturally, in this conversion effort, all the branches of OPM must work closely together.

At industry committee conferences, my division will be represented by the best engineering and organizing talent available. The best engineers of each industry must also be on hand. Officers of the Armed Services must tell us and show us what is needed. Representatives of OPM's Civilian Supply Division must inform us of civilian requirements. Officials of the Production Division must advise on over-all arms requirements and facilities. Representatives of the Labor Division must plan the retraining of workmen. Men from the Materials Division must provide accurate information on scarce material supplies and representatives of all the other interested Government agencies must attend and work together like a fine football team.

Not a new method

Many industry committees have already been set up by the Government. Committees for other industries may be established as needed. OPM has full power to take the lead in creating such groups under procedure designed to guard against violations of the antitrust laws.

This method of mobilizing industry is not new. It was used effectively by America in the first World War and adapted by Germany for its present rush toward world domination. We must employ this weapon now for all it is worth.

In addition to the conversion of entire industries to war work, we must continue to attack the problem in many other ways. Individual manufacturers must make full use of the information available in nearly 100 field offices of my Division. By doing so they can learn for themselves what they can make for the fighting forces—just as thousands have already done.

Factory owners, large and small, should attend the defense production clinics we are now putting on in major

cities. There they can meet and confer with Government procurement officers and prime contractors concerning war work that must be done.

By organizing local defense production associations, many factories too small to handle arms contracts or subcontracts can pool their facilities and jointly become a vital part of the Arsenal of Democracy. Manufacturers who want to get into such pools can find out from local offices how to go about it without running afoul of the antitrust laws.

Exhibits better than blueprints

Producers should visit the permanent exhibits we are setting up in more than a dozen cities. There they can see and feel the thousands of bits and pieces needed to make more weapons of war. Better than any blueprints or specifications, these exhibits will give them an idea as to what they can tackle.

There can be no doubt in anyone's mind that we must now use every device at our command to mobilize all the existing productive capacity of America to make munitions and essential civilian goods.

I know that American industry will do its part.

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London, Ohio, certified for special contract treatment

London, Ohio, was certified by OPM December 25 for special consideration in placing of War and Navy Department contracts.

This certification was based upon findings by the Contract Distribution and Labor Divisions of OPM that the community faces severe unemployment due to shortages of material for nondefense work.

London is a community of 4,700 persons 25 miles from Columbus and Springfield, Ohio.

In its certification to the War and Navy Departments, OPM recommended that the Services consider the possibility of negotiating contracts requiring a minimum of 90,000 man-hours of work on such items as ammunition chests and chemical and incendiary bombs.

This action was recommended to prevent working forces being dispersed and lost to the war production program.

Previously, the OPM has certified 11 other communities and one industry in a similar manner. Defense contracts and subcontracts placed in certified areas so far total approximately \$66,000,000.

PRIORITIES . . .

Basic Priorities Regulation No. 1 revised; acceptance of B orders now mandatory

Priorities Regulation No. 1, the basic document which governs the operations of the priority system, has been amended in several important respects effective December 23.

Most important of the changes is a requirement that *all* orders bearing a priority rating, including B ratings for essential civilian orders as well as A ratings for defense orders, must be accepted by producers, in preference to any unrated order. Previously the acceptance of B-rated orders was not mandatory.

Further step toward allocation

The required acceptance of B-rated orders is a further transitional step in the move toward allocation of scarce materials, since B ratings are one method of designating the relative importance of civilian uses for materials after war requirements have been met.

Treatment which must be given to defense orders is clarified by a new provision which assigns a priority rating of A-10 to all defense orders not otherwise rated. This change is intended to eliminate any confusion which might arise as to the handling of those defense orders which were previously unrated, in relation to other orders which had been specifically rated A-10, the lowest rating in the A series.

Inventories more strictly limited

Section 944.14 of Priorities Regulation No. 1 has been revised to provide a stricter limitation of inventories. Whereas producers were previously forbidden to increase their inventories beyond the amount necessary to meet required deliveries of their products, they are now forbidden to accept delivery of materials for inventory in excess of a practicable working minimum. This means that all inventories of any materials whatever must be reduced to a practicable working minimum, strictly construed, before they can be replenished. The prohibition applies to suppliers of materials for inventory as well as to producers who maintain inventories, and it covers nondefense as well as defense producers. An exception is made, however, for inventories of materials imported from foreign countries.

A possible loophole in the inventory restriction is closed by a provision that

no material may be fabricated, processed, alloyed, or otherwise altered if the producer's inventory of the material in its altered form would thereby be increased beyond a practicable working minimum, unless specific authorization is granted by the director of Priorities.

Safeguarding prior orders

Another amendment will help to prevent receipt of a new, high-rated order from interfering with fulfillment of the delivery date on a previously accepted lower rated order. Unless the new order bears an AA rating or is accompanied by specific direction from the director of Priorities, it will not have to be accepted if its acceptance would necessitate preempting material which has already been completed to fill a previously accepted defense order which bears a lower rating, or if it would preempt material which is within fifteen days of completion. Or, if the new order is accepted, the producer may not divert material already completed or about to be completed on a previous defense order for use in filling the new order.

Priorities Regulation No. 1 lays down a general framework for priorities compliance, and it may affect all types of industrial and commercial transactions. Copies of the regulation as amended may be obtained from the Priorities Division of OPM in Washington or from field representatives.

Summary of changes

A summary of the important changes made December 23, with explanation, is given below:

944.1a All defense orders, as defined, are assigned an A-10 rating. The Regulation as previously written required the acceptance of defense orders and preferred treatment for such orders, but did not specifically assign them a grade, so that the question was frequently raised as to how unrated defense orders should be treated, in comparison with orders specifically rated A-10. The change is largely one of form rather than substance, because the answer which has been given to this inquiry is that they should be treated as A-10 orders.

944.2 This paragraph has been changed to require acceptance of B-rated orders as well as defense orders. Since the assignment of a B rating is one form of allocation of scarce material, it is essential that we require the acceptance of such orders in preference to unrated orders if the allocation is to be effective. The same considerations which led to the adoption of the original provision of the Regulation requiring acceptance of defense orders led to the conclusion that all

rated orders should now be made mandatory both as to acceptance and preferred treatment.

944.4 It is provided that any preference rating (including B ratings) may be assigned to any order before the contract or purchase order is placed. This is done in order to provide for identification of prospective purchase orders as to which acceptance is required pursuant to the amendment just discussed.

Determining precedence

944.7 Paragraph (b) is amended so that where preference ratings and delivery dates are the same the sequence of deliveries is to be determined by the dates of receipt of the preference rating. At the present time such cases of conflict are to be referred to the Division of Priorities. It is believed that the proper rule is incorporated in the amendment, rather than allowing the date of receipt of the order to govern, since the preference rating is only effective when received.

944.8 The amendment requires that each order bear a specific delivery date. This is done in order to terminate the practice which now exists, particularly in the PD-3 field, of specifying "immediately" as the delivery date.

944.10 This paragraph is revised to make it clear that allocation and limitation orders take precedence over preference ratings and that, generally speaking, the more stringent restrictions take precedence over the less stringent.

Fabrication limited

944.14. The general inventory restriction is revised in accordance with the policy of the Priorities Division. Hereafter no material may be fabricated, processed, alloyed, or otherwise altered if the producer's inventory of the material in its altered form would thereby be increased beyond a practicable working minimum, unless specific authorization is granted by the director of Priorities.

944.15. The Regulation as originally drawn required all persons "affected by any rule, regulation, or order" to keep records. This rule was difficult of application, as almost any person could be said to be affected by some order or regulation of the director of Priorities. The revised provision substitutes a rule which seems to be simpler of application, viz, only the persons actually participating in any regulated transaction are required to keep records.

944.18 The original violations provision was restricted to penalties for furnishing false information. It has been expanded so that it now includes penalties for violation of any order or regulation.

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ZINC ORDER EXTENDED

General Preference Order M-11, controlling the distribution of zinc, December 27 was extended to March 31, 1942. The order was scheduled to expire December 30.

The zinc order requires all producers to set aside a percentage of the zinc, zinc oxide, and zinc dust produced each month to be distributed upon express direction by the Director of Priorities and provides for allocation or controlled distribution of the remainder.

All imports of 13 strategic materials placed under Government control

The Federal Government on December 27 took control of all imports of 13 designated strategic materials and may add others to the list later, it was announced by Priorities Director Nelson.

Materials listed are antimony, cadmium, chromium, copper, graphite, kyanite, lead, mercury, rutile, tungsten, vanadium, zinc, and zircon.

General Imports Order M-63, which went into effect at 12:01 a. m., December 28, provides that, unless otherwise authorized by OPM, all future contracts for imports of these materials will be handled by the Metals Reserve Company, RFC subsidiary, or other Governmental agency. No private person or concern can make arrangements for imports, except that in certain cases, such as imports for processing and immediate re-export, the Director of Priorities may grant specific exception to the order.

To work through established channels

It was announced, also, that the Metals Reserve Co. plans to use existing channels to make its foreign purchases and will work through established brokers and dealers.

The order does not disturb existing contracts or commitments, except that future shipments or goods now in transit may not be sold except to the Metals Reserve Co., unless under written authorization of the Director of Priorities. Persons seeking such authorization or other action by the Director of Priorities are instructed to use Form PD222A in all instances.

Collectors of Customs at all ports of entry in the United States will assist the Office of Production Management in clearing shipments affected by the order. The consignee will file a report with the collector in each instance and then may move his shipment to the point of first destination in this country. There it must be held for disposition as outlined in the order.

Quick clearance urged

In many instances, clearance of goods in transit is possible, and importers are urged to get in touch with the appropriate branch of the Office of Production Management to avoid delay after shipments have arrived. Materials going directly into plants with war contracts are in that category and automatic clearance for such shipments may be arranged.

The Metals Reserve Co. is prepared to negotiate with holders of open commitments and will take over their contracts where that is feasible. All material purchased by the company will be held for allocation by the Director of Priorities.

The order provides that all persons who have made arrangements for imports affected by the order shall report the facts immediately to the Metals Reserve Co.

The control of imports was taken, it was explained, as a result of the policy of the Supply Priorities and Allocations Board that steps be taken to insure, insofar as possible, adequate supplies of materials for war production.

Steel warehouses get optional quota basis; alloy limits, other rules changed

Steel products handled through a large number of jobbers, for which there is a heavy seasonal demand, are accorded special treatment by an amendment to the steel warehouse order, M-21-b, issued December 24 by the director of Priorities.

Under the directive with respect to Supplementary Order M-21-b which was issued September 26, 1941, jobbers were assigned quotas based on their receipts from producers during the corresponding calendar quarter of 1940 covering their orders for hot rolled concrete reinforcing bars, pipes, and tubes, wire and wire products, tin and terne plate, galvanized sheet and strip.

The December 24 amendment incorporates the quotas into the order itself, but permits any warehouse, by notifying his supplier on or before February 1, 1942, to base his quota for the Schedule B products listed above on one-fourth of the total tonnage of such product classification shipped by the supplier to the warehouse during the year 1940.

Must stick to one method

This option will enable warehouses to make necessary adjustments in their 1942 orders for the products specified, as compared with their receipts in 1940. However, once the warehouse has chosen whether it will base its quota on the corresponding calendar quarter or 25 percent of the whole year 1940, the method cannot be changed for any subsequent quarter in 1942.

Big plant sped to help aviation gas production

Construction of the world's largest gas cycling plant will be undertaken in Texas as a major step in the program to boost production of 100-octane aviation gasoline, it was announced December 20 by the Office of Petroleum Coordinator for National Defense.

The plant, to be erected in the Katy gas field of Waller County, will process 274,000,000 cubic feet of gas daily—an amount which will yield nearly 7,500 barrels per day of combined distillate, kerosene, naphtha, natural gasoline, butane, and iso-butane.

At the recommendation of the Office of Petroleum Coordinator, the announcement continued, a preference rating of A-1-a was assigned to the project.

Previous limitations on the size of items of alloy, stainless and tool steel which may be sold by warehouses on unrated orders have been removed, but they may sell such items after January 1 for essential maintenance and repair purposes only, and total deliveries on unrated orders for such items may not exceed 10 percent of the average monthly deliveries of such materials by the warehouse to all customers during the first calendar quarter of 1941.

Carbon steel plates restricted

Sales of carbon steel plate from warehouse stock are restricted to defense orders after January 1, 1942.

An A-9 rating was assigned by Supplementary Order M-21-b to orders for certain percentages of the quotas of specified products which warehouses may receive. The order as amended provided that this rating may be extended by a producer to his suppliers, if such extension is necessary in order to obtain materials needed to manufacture steel for warehouse account. This amendment removes any unfair competitive advantage which may have been enjoyed by integrated steel mills as compared with independent mills.

The amendments go into effect January 1, 1942.

Any questions or inquiries with respect to the order should be addressed to J. R. Stuart, Head, Warehouse Section, Iron and Steel Branch, Office of Production Management, Washington, D. C.

All chlorine produced in U. S. subject to direct allocation after February 1, 1942

All chlorine produced in the United States will be subject to direct allocation after February 1, 1942, in accordance with the terms of an amendment to General Preference Order M-19 issued December 20 by the director of Priorities.

War demands for chlorinated products have accentuated the shortage of chlorine which was the occasion for placing chlorine under full priorities control on July 28, 1941.

New requirement provided

To facilitate allocation, a new type of requirement is now provided for scheduling orders for chlorine. Regardless of priority ratings, no producer of chlorine may accept orders after the 10th day of any month for delivery in the next calendar month without a specific direction from the director of Priorities.

No distributor of chlorine may accept orders after the 5th day of any month for delivery in the following month without specific direction from the director of Priorities.

Must file schedule of deliveries

All producers of chlorine are required to file with the chemicals branch of the Office of Production Management in Washington, on or before the 15th of each month, on Form PD-191, a schedule of deliveries to be made the following month.

After February 1, 1942, no deliveries of chlorine may be made without specific authorization from the director of priorities. Authorizations will be based on a review of the schedules submitted, in the light of defense and essential civilian requirements. If no change in the proposed schedule is made by the director of Priorities by the 25th day of the month, deliveries in the following month may be made according to the schedule as submitted.

All orders for chlorine must be accompanied by Form PD-190 properly executed.

Another provision of the amended chlorine order specifies priority ratings which are to be granted to orders for chlorine for certain purposes.

Set aside 5 percent for reserve

Under the amended order, every producer of chlorine is required to set aside each month 5 percent of his estimated monthly production in liquid chlorine.

The producer is to make no commitments with respect to this chlorine reserve. However, subject to the general provisions of Priorities Regulation No. 1, the reserve chlorine may be sold and delivered if no express order for its disposition has been issued by the director of Priorities by the 15th day of the month in which the reserve is set aside.

Nondefense orders must be accepted

Nondefense as well as defense orders for chlorine must be accepted by producers if a priority rating has been assigned to such orders.

Except for the allocation provisions which become effective February 1, 1942, the December 20 amendments to General Preference Order M-19 go into effect immediately and will remain in effect until revoked by the director of Priorities.

All burlap, including inventories, to be allocated; most peace-time uses cut off

Allocation of our entire burlap supply was ordered December 22 by the Office of Production Management.

All of our burlap comes from India. Three-fourths of it is now used to bag agricultural and chemicals products. The remaining one-fourth is used by the furniture, upholstery, rug and carpet, textile, meat-packing, and rubber industries.

Under the order, agriculture and chemicals will continue to receive burlap but in greatly reduced quantities. The other peacetime uses will be cut off entirely.

Much of the burlap will be used for defense purposes—for sandbags as protection against bombings and for camouflage.

Future deliveries to build stockpile

The order applies to burlap now in this country in inventory and to future deliveries, with the exception of broken bales on which there is no restriction.

Unbroken bales now in inventory may be used for bags for agricultural and chemical products. None of it may be used for the other peacetime uses.

Burlap now en route to this country as well as future deliveries will be dealt with more drastically. Two-thirds of it will be set aside in a stock pile over which

Lead and tinfoil order L-25 held up pending further restrictions on tin

The lead and tinfoil order, L-25, will be held in abeyance for a few days pending completion of a new tin limitations order. It was announced December 23 by the Division of Priorities.

War changes program

The order was issued November 24, then suspended for 30 days. It would have become effective December 24.

In view of the stoppage of tin imports by Japanese aggression in the Pacific a new and more complete restriction on the use of tin is necessary, it was announced. The pending order will include foil and L-25 is expected to be revoked when it is issued.

L-25 would have prohibited the manufacture of foil after January 15 and its use after March 15.

OPM will have control. Army, Navy, and civilian defense will have first call on it. If any is left, it may be made available for bags for agricultural and chemical products and for hardship cases.

The remaining one-third will be used for the manufacture of bags for agricultural and chemical products.

The order sets up a system of quotas for importers, importing bag manufacturers, and nonimporting bag manufacturers.

Inventories restricted

The quotas for importers apply to burlap shipped from Calcutta on and after January 15, and are based on their average annual imports during the period from 1935 to 1939 inclusive.

Quotas for nonimporting bag manufacturers become effective January 1, 1942, and are based on their burlap purchases in 1939 and 1940.

Bag manufacturers are required to distribute bags to their 1941 customers in the same proportion as they did in 1941.

Slashing or mutilating bags in opening them is prohibited.

Inventory of any importer, importing bag manufacturer, or nonimporting bag manufacturer is restricted to a 30 days' supply.

New maintenance order insures full cycle of metal production against interruption

With domestic metal production of more vital importance than ever before in American history, the Priorities Division issued December 22 a Preference Rating Order designed to assure that the complete cycle, from mining through refining, be completed without interruption.

Of the four steps essential to metal production—mining, concentration, smelting and refining—the first two are covered by Preference Rating Order

P-56, which extends priority assistance to mine operators in the acquisition of necessary maintenance, repair, and operating supplies. The order issued December 22, Preference Rating Order P-73, provides similar aid to accredited smelters and refiners of copper, lead, zinc, antimony, mercury, and cobalt.

Must get serial number

Primary producers engaged in these operations must obtain a serial number

from the Priorities Division before the benefit of the order may be applied to deliveries. Form PD-212, marked "Ref: P-73," should be filled out by the applicant, and forwarded to the Priorities Division.

Under the terms of the new order a basic rating of A-3 is provided for essential repair, maintenance, and operating supplies. Producers will be given an emergency rating of A-1-a for actual break-down or suspension, and an intermediate rating of A-1-c for necessary advance provision to avert break-down or suspension. These two latter ratings are available only after advance approval by the Director of Priorities. In requesting such advance approval, the producer must furnish the following information:

(1) Nature and effect of break-down or suspension of operations, including loss of production that would result.

(2) Whether this has already taken place or whether it is necessary to make advance provision to avert a break-down or suspension.

(3) Kind, quantity, and total value of material required to repair or avert the break-down or suspension of operations in this case.

(4) Why the material described in (3) cannot be obtained by the A-3 rating soon enough for the purpose.

(5) Names and addresses of suppliers with which orders have been placed for the exact material required and the approximate aggregate value of material to be furnished by each supplier.

A producer, or his suppliers, in order to apply a preference rating assigned under Preference Rating Order P-73, must furnish one copy of the order, with a form of acceptance unsigned, to each of his suppliers with whom he places a purchase order.

In addition he must endorse on each purchase order the following statement:

"Preference Rating A _____ is applied hereto under Preference Rating Order No. P-73, Serial No. (s). _____, with the terms of which Order the undersigned is familiar."

Foreign firms eligible

Foreign refiners and smelters are eligible to make use of the assistance extended by the order in the same manner as domestic operators. When the materials to deliveries of which a preference rating is assigned are to be shipped outside of the United States, its territories and possessions, the Philippine Islands, and the Dominion of Canada, there must be added to the endorsement above, the following:

"This Material is for export and is covered by Export License _____ dated _____"

Materials to develop new oil and gas wells placed under strict control

Use of materials for the development of new oil and natural gas wells is put under strict control by Conservation Order M-68, issued December 23 by the Director of Priorities.

The order prohibits every operator in the petroleum industry from acquiring or using materials for production purposes except under specified conditions or by specific authorization from the Director of Priorities.

No special authorization is needed, however, for materials used to drill or complete oil wells which follow a uniform well-spacing pattern of not more than one well to each 40 surface acres, or natural gas wells which are uniformly spaced with not more than one well to each 640 surface acres. Materials may be used without limitation for experimental or exploratory wells in new fields.

May apply for different spacing

These restrictions on the spacing of wells are in accordance with the recent trend of the petroleum industry in the interests of conservation of petroleum resources, but are especially advisable at present because of the necessity for conserving steel and other scarce materials used in oil and natural gas well development.

However, exceptions may be made to these requirements for the spacing of wells either for a single operator or for a whole field upon application to the Petroleum Coordinator on special forms provided for that purpose. Permission to space wells more closely may then be granted by the Director of Priorities upon recommendation by the Office of the Petroleum Coordinator.

Materials may not be used for pumping or artificial lifting equipment for more than an average of one well to every 10 acres in any lease or tract, except that a single well may be furnished with such equipment on a lease or tract of less than 10 acres. Leases or tracts may not be subdivided to take advantage of this provision.

Materials for use in petroleum research laboratories, in the search for and discovery of previously unknown petroleum pools, for specified secondary recovery operations or for certain types of lease equipment are exempt from the limitations of Order M-68.

P-100 or PD-1 to be used for present

A new order, to be known as P-98, is being prepared to cover the needs of the petroleum industry for materials and equipment. Until Order P-98 is issued, operators in the industry may obtain supplies under the general provisions of the maintenance and repair order, P-100, or by individual applications on form PD-1.

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Geo. C. Brainard to head machine tool branch

William H. Harrison, director of the Production Division, OPM, announced the appointment of George C. Brainard, industrialist of Youngstown, Ohio, as head of the machine tool branch.

Mr. Brainard will assume his new position January 1, succeeding Mason Britton, who has been in charge of the branch since 1940.

Punitive action taken against metal company and plumbing supply house

Suspension orders were issued December 20 by the Priorities Division against a plumbing supply house in Brooklyn, N. Y., and a metal company in Canton, Ohio, for violation of priority orders and regulations.

State Metals & Steel Co., Inc., Canton, Ohio, made deliveries of high-grade aluminum scrap, for melting into ingots, without preference rating for the delivery, with the result that 67,000 pounds of aluminum ingots were diverted for purposes not sanctioned by the Director of Priorities.

Lieb & Buchalter, Brooklyn, N. Y., attempted to place an order for brass pipe and copper tubing with a false statement that the order was entitled to an A-10 rating.

All priority aid withdrawn temporarily

Action taken against the two firms parallels the penalty imposed on a Chicago aluminum company 2 months ago, but the penalties imposed are more severe in that all priority assistance of every kind is withdrawn while the suspension orders are in effect.

This means that the companies will not be entitled to the use of a preference rating under General Preference Order P-100 on their needs for maintenance, repair, and operating supplies, nor can they use any other preference rating to which they might otherwise be entitled. State Metals & Steel Co. is also forbidden to deal in aluminum while the suspension order is in effect.

Details of the two cases, with provisions of the suspension orders, are as follows:

I

Lieb & Buchalter, a plumbing supply house of Brooklyn, N. Y., ordered 4,740 feet of brass pipe, and 720 feet of copper tubing, with a false statement that the order was entitled to a preference rating of A-10 because the material was to be used as emergency inventory for three Brooklyn hospitals. Inquiry revealed that Lieb & Buchalter had no such orders from the hospitals named. All priority assistance has been withdrawn from the firm until March 1, 1942, by Suspension Order No. S-2.

II

State Metals & Steel Co., Inc., Canton, Ohio, violated Supplementary Order M-1-c by delivering 153,234 pounds of

aluminum utensil scrap to Central Aluminum & Flux Co., Garfield Heights, Ohio, for melting into 98-99 percent aluminum ingots without a preference rating or authorization from the Director of Priorities.

State Metals & Steel Co. subsequently delivered 67,000 pounds of the ingot made from the scrap to Timken Roller Bearing Co. to be used for deoxidizing purposes, a use of the ingot which was not sanctioned by the Director of Priorities.

Officials of State Metals & Steel Co. were fully aware of the terms of the orders which they violated. On May 17, 1941, the company had requested permission from the Office of Price Administration and Civilian Supply to furnish the Timken Roller Bearing Co. 100 tons of aluminum ingots. This request was referred to the Office of Production Management. When informed that additional information would be required before its request could be considered, the company made no further requests or inquiries.

The secretary of the company had read and was familiar with General Preference Order M-1 and Supplementary Orders M-1-a and M-1-c at the time the improper deliveries of aluminum scrap were made.

Material was of critical importance

High-grade aluminum scrap is scarce and of critical importance. The willful violation of the aluminum orders by State Metals & Steel Co. has resulted in the diversion of high-grade aluminum scrap from primary defense needs into unauthorized uses.

All priority assistance is withdrawn from State Metals & Steel Co. until July 1, 1942, by Suspension Order No. S-7. Until that date, the company, its successors and assigns are forbidden to accept deliveries of primary aluminum, secondary aluminum, aluminum scrap, aluminum products, or alloys of which aluminum constitutes a major part. The company is likewise forbidden to accept purchase orders or enter into contracts or commitments for delivery of aluminum or aluminum products, or to make such deliveries, except as specifically directed by the Director of Priorities. All other persons are forbidden to deliver aluminum or aluminum products to the company in violation of the order while it is in effect.

Suspension orders issued against cottonseed mill and hosiery company

The Priorities Division on December 23 announced punitive action against four more companies which have violated priorities orders and regulations. Suspension orders have been issued against each of the companies, withdrawing all priority assistance for periods of from 6 to 8 months, and forbidding the firms to deal in the products affected by the orders while they remain in effect.

The companies against which suspension orders have been issued are: Enterprise Oil Co., Enterprise, Ala.; Mock, Judson, Voehringer Co. of North Carolina, Inc., Greensboro, N. C.; Siler City Hosiery Co., Siler City, N. C.; Alabama Hosiery Mills, Decatur, Ala.

Linters sold outside chemical industry

Enterprise Oil Co. is a cottonseed crushing mill. This company sold its entire output of cotton linters in August and September outside of the chemical industry, in violation of General Preference Order M-12 which provides that 80 percent of cotton linter production shall be sold to the chemical industry for making explosives and other essential uses.

Mock, Judson, Voehringer Co. and its subsidiaries, Siler City Hosiery Co. and Alabama Hosiery Mills are all engaged in making hosiery. These three companies obtained permission from the director of Priorities to process 65,000 pounds of raw silk by stating falsely that this silk had been removed from its original bales prior to August 2, 1941. As a result, all but 9,000 pounds of the silk were diverted from defense use to the manufacture of silk hosiery.

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Dealer sales of passenger cars, light trucks to Army, Navy excluded from production quota

Donald M. Nelson, director of Priorities, acted December 20 to make it clear that passenger cars and light trucks and replacement parts for them are excluded from production quotas established by OPM when sold directly or through authorized dealers to the Army or Navy and certain designated Government agencies and foreign governments.

DEFENSE PROGRESS . . .

America's war program over 74 billions; 13 billions spent, nearly 48 obligated

Authorizations for expenditures on America's war program to December 26 total \$74,440,000,000, including the Third Supplemental National Defense Act of 1942, according to figures compiled by the Bureau of Research and Statistics, OPM.

The financial program covered by these figures includes cash appropriations, net contract and tonnage authorizations and Reconstruction Finance Corporation commitments.

In addition, foreign transactions in the United States amount to \$3,772,000,000, of which \$3,747,000,000 is for war orders and \$25,000,000 for administrative expenses. The total authorized program for war expenditures in this country thus becomes \$78,212,000,000.

Obligations \$47,726,000,000

Obligations incurred under the program through the end of November amounted to \$47,726,000,000, against which \$13,299,000,000 was paid out. Obligations include contracts awarded and letters of intent to private industry, orders placed with Federal arsenals and navy yards, pay, subsistence and travel for the military and civilian agencies, and miscellaneous noncontractual items.

The lag between appropriations and obligations arises from a number of causes. Plans for additional factory facilities or shipyards frequently must be made, including the design and manufacture of tools. Contracts for construction of these must be negotiated. Experimental production sometimes is necessary before costs can be determined for the letting of large contracts. Studies of available labor supply, transportation and materials sometimes are necessary before even a plant site can be selected. As available facilities are burdened with orders and materials become scarcer, these problems increase.

War Department leads

Broken down by Federal agency the financial program was allocated as follows: War Department, \$31,979,000,000; Navy Department, \$19,396,000,000; Maritime Commission, \$2,668,000,000; RFC and subsidiaries, \$4,347,000,000, and other defense agencies, \$16,050,000,000. The last item includes \$12,985,000,000 for Defense Aid (Lend-Lease).

Obligations by agencies are as follows: War Department, \$21,205,000,000; Navy Department, \$15,102,000,000; Maritime Commission, \$1,644,000,000; RFC and subsidiaries, \$3,450,000,000, and other agencies, \$6,325,000,000.

The following table presents a breakdown of financial program and obligations, June 1940 through the latest reporting date, by object:

UNITED STATES WAR FINANCIAL PROGRAM

(In millions of dollars)

(Subject to revision)

Objects	Financial program ¹ as of Dec. 15, 1941	Obligations ² Nov. 30, 1941
Ordnance.....	\$16,605	\$8,850
Airplanes, parts and accessories.....	13,196	10,025
Naval ships.....	8,846	7,545
Industrial facilities.....	8,163	5,805
Posts, depots and stations.....	5,881	4,135
Other munitions and supplies.....	5,622	3,522
Stockpiles and miscellaneous		
Lend-Lease exports.....	4,674	1,839
Pay, subsistence and travel.....	4,252	2,513
Merchant ships.....	3,323	2,112
Housing.....	942	430
Miscellaneous ³	2,936	950
Total.....	74,440	47,726

¹ Financial program includes Congressional cash appropriations, contract and tonnage authorizations, RFC commitments.

² Obligations include contracts awarded and letters of intent to private industry, orders placed with Federal establishments, pay, subsistence and travel of the armed forces, and miscellaneous noncontractual items.

³ Includes "welfare" of men in the armed forces, technical training, and incidental expenses.

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There's no such thing as junk any more, says Henderson

"There is no longer such a thing as junk. A pile of so-called junk, when rehabilitated, becomes tanks, bombers, and bullets. A pile of old newspapers is a potential cardboard carton to carry weapons and ammunition to their destination."

This statement was made by Leon Henderson, OPA Administrator, in regard to the campaign now being conducted to mobilize waste paper for war duty.

"Every waste paper transaction between a housewife and her neighborhood waste dealer means that much more fighting equipment arriving at the proper place at the proper time."

War requirements boost 1942 construction program to all-time record

New requirements brought suddenly into focus by the outbreak of war have caused OPM officials to increase by nearly 1 billion dollars their estimates of the amount of money to be needed for all kinds of construction in this country during 1942.

Preliminary estimates under the old defense program set the 1942 construction total at about \$10,400,000,000—a slight decrease from the \$11,000,000,000 expected to be spent during 1941. The new estimate is for approximately \$11,250,000,000, an all-time high, of which all will be for defense construction or construction essential to health and safety.

Nearly 11 billions available

There will be large increases in 1942 over 1941 in direct military construction and Government-financed defense plant expansion, defense housing, and community facilities. In every other major category there will be decreases.

On December 20 the defense construction program, then in its eighteenth month, measured in terms of funds available, amounted to nearly \$11,000,000,000. During 1942 the amount expected to be used for defense construction alone will be approximately \$8,650,000,000.

The value of defense work in place December 20 was \$4,900,000,000, or about 44 percent of the \$11,000,000,000 in defense funds already made available. Monthly expenditures now average about \$500,000,000.

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War Department discontinues listing individual contracts

The War Department recently discontinued the announcement of individual war contracts due to the necessity of greater secrecy, hence VICTORY no longer prints such a compilation.

Consideration is being given by the War Department to the possibility of announcing the names of firms to which major contracts have been awarded, with an indication of the size of the contract, but not sufficiently specific so that the volume of war materials to be produced could be estimated.

PRICE ADMINISTRATION . . .

OPA reviews price ceilings in light of pending bill, thinks most will stand

The following statement was issued December 23 by OPA Administrator Henderson:

"A subcommittee of the Senate Banking and Currency Committee on December 19 approved in substance the standards for control of prices previously adopted by the House of Representatives. In view of this action, and statements made on the floor of the Senate as to the probable acceptance of these standards, the staff of OPA last week began a review of all formal price ceilings and informal agreements to bring them into conformity with those standards which are common to the House bill and the bill reported by the Senate subcommittee.

Agriculture may require some changes

"It is believed that no upward adjustments will be required in those cases where ceilings have been established or agreements reached on nonagricultural commodities. These schedules and agreements are generally in accord with the standards established by the pending legislation and it is expected that the re-

visions to establish strict conformity will be relatively minor.

"In the case of ceilings on agricultural commodities some changes will be necessary to bring existing schedules into line with the special standards which have been set up for farm products. Three special standards were established for these commodities in the House bill. Of these the Senate subcommittee has approved but one—namely, that no price shall be established below the market price prevailing on October 1. Existing ceilings on domestic farm commodities will be reexamined in the light of the October 1 provision.

"Further ceilings on agricultural commodities issued between the present date and that of final approval of the bill will be consistent with the October 1 date.

"The review of the existing price schedules is designed to eliminate confusion when legislation is enacted. It is obviously important that there be a prompt and easy transition from the existing control to that provided by the Price Control Act."

Large firm gives up price rise on felt-base floor covering

Armstrong Cork Co., Lancaster, Pa., has dropped plans for an advance in prices of its felt-base floor coverings at the request of OPA, Administrator Henderson announced December 24.

As a result, this concern, one of the largest manufacturers of hard-surfaced floor coverings in the country, will continue to sell both its felt-base and inlaid linoleum lines at unchanged prices.

"This cooperation by the Armstrong Co. is extremely commendable," Mr. Henderson stated. "Higher prices at this time for felt-base floor coverings, which are such an important article of furnishing in the homes of the lower-income groups of our population, would be certain to stimulate price advances in other household goods. The Armstrong Co. is to be commended for its leadership in stabilizing prices."

Paul R. Hasson appointed to machinery section

Appointment of Paul R. Hasson, former chairman of the board of John Fowler & Co., major English agricultural implement manufacturers, to the farm equipment and tractors unit of the machinery section of the Office of Price Administration was announced December 22 by J. K. Galbraith, assistant administrator.

Mr. Hasson, a native Californian, has been connected with John Fowler & Co. since 1912, with the exception of the years between 1917 and 1919, when he returned to this country to enter the American army during the last world war. He served overseas as a first lieutenant in the Ordnance Corps.

In 1937 Mr. Hasson directed the expansion of his company to include the manufacture of tanks. In 1940 he resigned to return to America to serve the United States Government during the emer-

Diesel engine producers agree to hold prices at October 1 level

Informal arrangements whereby Diesel engine prices will not be increased above the levels of October 1 will be continued for the present, OPA Administrator Henderson announced December 22.

On December 6, the administrator requested Diesel engine manufacturers to adhere to October 1 prices and not to change their methods of determining prices for specially designed equipment. A meeting at which makers of 85 percent to 90 percent of all Diesel engines were represented was held December 18 at the OPA offices. Attending producers expressed the opinion that the voluntary method of keeping prices stabilized would be effective for the time being.

However, to implement the voluntary price control program, Diesel engine manufacturers will be asked to file with OPA affirmations that they have complied with his request of December 6.

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Dry color prices stabilized to April 1, others added

Individual agreements stabilizing prices of dry colors, due to expire January 1, 1942, have, with minor modifications, been extended to April 1, it was announced December 24 by OPA Administrator Henderson.

Mr. Henderson also announced the broadening of the agreements to include pulp colors, certified food colors, dispersed colors, and other similar products.

The agreements, discussed with representatives of producers at a meeting in New York December 17, provided for prices no higher than those quoted in price lists of a majority of producers in effect on October 1, 1941.

Exceptions to this are "peacock blue," the price of which is not to exceed 52 cents per pound delivered for the base grade; and "English vermilion," the price of which will be stabilized at a future date.

Mr. Henderson stated because of the agreements with producers, and their cooperation to date, it would not be necessary for OPA to take formal action to prevent inflationary rises in the prices of these products during the first quarter of 1942.

Iron and steel scrap schedule revised to increase collection, aid best usage

Revision of the iron and steel scrap schedule to meet the exigencies of actual war conditions was announced December 22 by Leon Henderson, administrator of the Office of Price Administration.

Major objectives sought by the changes are: (1) A vastly increased collection of all kinds of scrap; and (2) a system of pricing that will have the effect of directing the flow of particular types of scrap to plants of producers able to make the most advantageous use thereof.

Much of the substance of the revisions was developed at a series of meetings of OPA officials with all branches of the scrap trade and all types of consumers. These meetings extended over a period of 3 weeks and all problems relative to scrap supply and use were discussed.

Types segregated according to use

The revised schedule segregates the various types and grades of scrap according to use and establishes maximum prices for each type of consumer. These "use" classifications are open hearth, which contains seven grades; blast furnace, which contains four grades; electric furnace and foundry, which contains eight grades (two of which, with differentials for preparation to specific sizes, are entirely new); and gray iron foundry, which contains six grades of cast iron scrap.

Excluding cast iron scrap, the method of computing maximum scrap prices at the shipping point has been changed so that dealers may now make use of "the most favorable" basing point, instead of the "nearest basing point in terms of transportation charges." The present geographical price differentials remain unchanged. Four new basing points are added in the Pittsburgh district, and the Pittsburgh basing point itself has been redefined.

Pricing aids electric furnaces

With the exception of machine shop turnings, all of the open hearth grades are assigned a maximum price of \$20 per gross ton at Pittsburgh. Machine shop turnings, which are used by both open hearth and blast furnaces are priced at the same level as the blast furnace grades, or \$16 per gross ton at Pittsburgh.

The blast furnace grades are uniformly priced at \$16 per gross ton at Pittsburgh, to reflect a fair average of the differentials in the former schedule.

Electric furnace and foundry grades are priced at levels somewhat higher than

the open hearth grades to allow for the added costs of preparation required by these users. This premium is not high enough to make it attractive to divert open hearth grades to electric furnace and foundry use, but a specific restriction is imposed upon open hearth operators to prevent them from buying electric furnace and foundry grades. This restriction consists of a provision forbidding open hearth, or blast furnace, operators from paying more for electric furnace and foundry grades than the ceiling price set for comparable open hearth or blast furnace grades.

The addition of two entirely new electric furnace and foundry grades—heavy cut structural and plate scrap and cut automotive steel scrap, each in three length specifications—is intended to replace the steel rail scrap formerly used by these consumers, but now virtually unavailable.

The prices provided in the revised schedule for low phos. billet, bloom, and forge crops and electric furnace bundles may only be charged or paid when these materials are shipped to the consuming electric furnace or foundry directly from the original industrial producer thereof.

Cast iron in separate appendix

Perhaps the most sweeping change contained in the revised schedule is the complete segregation of all cast iron scrap into a separate appendix with a provision for maximum prices on a regional shipping point basis. This type of scrap is used primarily by gray iron foundries.

The shipping point prices for the six grades of cast iron scrap are broken down into three groups: Group A, which includes Montana, Idaho, Wyoming, Nevada, Utah, Arizona, and New Mexico; group B, which includes North Dakota, South Dakota, Nebraska, Colorado, Kansas, Oklahoma, Texas, and Florida; and group C, which includes all States not named in either group A or group B.

The cast iron grades of scrap and their maximum shipping point prices by groups are as follows:

	Group A	Group B	Group C
No. 1 cupola cast.....	\$18.00	\$19.00	\$20.00
No. 1 machinery cast, drop broken, 150 lbs. and under.....	18.00	19.00	20.00
Clean auto cast.....	18.00	19.00	20.00
Stove plate.....	14.00	15.00	16.00
Heavy breakable cast.....	16.60	17.60	18.60
Charging box size cast...	17.25	18.25	19.25

Consumers of cast iron scrap may pay the shipping point price, plus the established charge for transporting the scrap to their plant by the mode of transportation used.

Motor vehicle deliveries

In the case of cast iron scrap deliveries solely by motor vehicle, the buyer must require from the seller certification made out to the Office of Price Administration of the shipping point, transportation charges, and other particulars of the sale.

To help machine tool makers

The unusual provisions with respect to cast iron scrap, Mr. Henderson stated, are in the nature of an experiment. Results will be observed closely by first hand checks in the field. It is expected that the incentive for collection and preparation of this type of scrap, which is of vital importance to machine tool makers who use large castings for machine beds, will be considerably greater than heretofore.

The amendments announced September 26 and November 25, dealing with "remote" scrap, are now made a permanent part of the revised schedule.

Commissions clarified

Of particular interest to scrap brokers is a clarification of the circumstances under which commissions may be collected. This section of the new schedule states that no such commission may be charged unless (a) the broker guarantees the quality and delivery of an agreed tonnage of scrap; (b) the scrap is purchased by the consumer at a price not higher than the applicable ceiling; (c) the broker sells the scrap at the same price at which he purchased it; (d) the broker does not split the commission with anyone. No commission shall be payable to a person for scrap which he prepares. A person who has not acted as a broker prior to April 3, 1941 (this date formerly was June 18, 1941) shall in no case be allowed a brokerage commission.

Differential for inferior grades

In all cases the maximum prices apply to the grades listed in the schedule. Inferior grades, it is stipulated, must continue to bear the same differential below the corresponding schedule grade as existed between September 1, 1940, and January 31, 1941. No price above the schedule's maximums may be paid or collected with respect to any "superior" grades of scrap without prior approval of the OPA. Special "preparation charges" are not allowed.

News for Consumers

Black-out Materials

"Do not rush out to buy new material for black-out curtains," is number one of a series of suggestions from the Consumer Division of the Office of Price Administration for the benefit of householders in coastal cities, to guide them in making and using drapes to screen house lights during air-raids or black-out drills.

Using material already on hand in the home will help the consumer avoid an unexpected and sudden expense. Even more important, it will help ease the strain that an abnormal civilian demand would place upon our textile industry, now working overtime on military orders, and it will prevent needless drain of the country's supply of textile goods, according to the Consumer Division.

The Division makes the following suggestions on black-out curtaining:

1. Do not go out immediately to buy material for black-out curtains. Coast-line areas may be required to black out nightly, but all-night every-night black-outs over the whole United States probably never will be required. In any event, the signal to prepare for black-out will come from Civilian Defense authorities.

2. If you need black-out curtains, examine your own resources. The drapes now hanging on your windows possibly may be adapted. Such things as blankets, quilts, bedspreads, rugs, carpets, draperies, dark oil-cloth, overcoats, slip covers, etc., may be found adequate.

3. To be acceptable, the cloth must pass no light when held before a lighted electric bulb. Test the material again after hanging—send someone out to see if any cracks of light shine through.

4. All windows in the house or apartment need not be curtained. In many British households one room is used exclusively during black-outs. The family retires to this room as soon as the air-raid siren is heard, turning off all lights in the other rooms.

5. The cloth used in black-out curtaining need not be black. It may be any dark color that screens the light (the British have found dark blue, brown, dark green, wine, and other shades to be successful).

6. In hanging the black-out curtains, remember that you need ventilation. British experience indicates that windows ought to be left partly open and the curtains should be constructed with

this in mind. Lightweight curtains will blow open and expose light. The curtains should be heavy, or securely fastened above and below the window.

7. Other suggestions:

String a row of hooks around your window, put rings (large ones, so there will be no fumbling in an emergency) into your cloth, and keep the cloth rolled up near the window for emergency use.

If you now have drapes that are closed by a pull cord, see if they are dense enough to keep light in and if they meet with at least a 3-inch overlap at the center. If they are too light you might line them on the side towards the window. If they do not overlap at least 3 inches, add some material at the center, and in any event, fix buttons, hooks, or ties so they may be fastened at the center and will not blow open. If your drapes show a crack of light at the top, hang them up higher.

If you don't have adaptable drapes, run a track at the top and bottom of the window, well beyond the frame, and put your material on these tracks so it can be slid across the window quickly.

Material may be installed on a roller, like a window shade, and pulled down when necessary. Roller curtains should fit the window exactly, and should be fastened at the bottom.

Venetian blinds alone are not sufficient to black out a room, but closed and covered with dark material they will keep light from escaping.

8. Your curtain must cover the window. If it's a roller shade, it must fit tightly into the window frame. If you are making loose cloth curtains, your material should be one and one-half times the area of the window, and when hung, should extend at least 8 inches above and on either side of the window frame, and should hang down to the floor. Curtains smaller than this should be fastened to the window frame on all sides.

9. Use of black or dark blue paint to cover windows is not recommended for the average householder. Windows blacked out in this manner cannot be opened during blackout unless curtains have also been provided.

One large New York department store, with hundreds of windows to cover quickly during an emergency, plans to use black paint, but paint men warn that the black paint will absorb the heat of the sun's rays and expand much more than the glass to which it adheres, bringing up the danger of breakage. Besides, unexpectedly large purchases of black paint at this time would unbalance the supply of critical defense materials.

10. The householder with a basement workshop or a few hand tools may build

a wooden frame to fit tightly over the window frame, and cover it with a flat section of black-painted cardboard or with wood or plywood. Slits could be introduced in the sides of the frame to allow air movement without letting light out, and the frame may be kept near the window, to be hooked over it during black-out.

The war may be a long one, and householders should do the best possible job of making black-out curtains that will last. Since the enemy will not furnish a timetable, the curtain should be kept near the window for immediate use, or it should be fastened permanently in place, to be drawn or dropped when necessary.

College Consumer Weeks

Plans for further extension of the "Consumer Week" idea to college campuses are being developed by the consumer relations section of the consumer Division, OPA, as a result of the successful completion of the experimental consumer week at Skidmore College, Saratoga Springs, N. Y.

Activities of the week at Skidmore included a Consumer's Town Hall, a style show and round table discussions on the part that college students can play in assisting the Victory Program by warring on waste.

The style show, held at the conclusion of the week, presented 21 students of the home economics department modelling dresses they had made. During the show, costs and fabric wearing characteristics were stressed. Substitutes that probably will be used in the future were discussed.

As a result of the interest aroused in consumer problems, Skidmore faculty and students decided at the end of the week to form a permanent consumer committee on the College Victory Council, to institute study groups on nutrition, budgeting, metals and metal substitutes, and other consumer problems.

A consumer center will be established at the College Victory office headquarters, and a class in consumer education offered in the second semester.

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Order restricts civilian use of high-grade chromium steel

Civilian use of high-grade chromium steel, except in fabricated articles, was restricted December 27 by the Director of Priorities.

Manufacturers, OPA cooperate in inventory of tires and tubes

Final plans were completed December 20 for the taking of an inventory of all new tires and tubes held by dealers and distributors preparatory to implementation on January 5 of the rationing plan required by the threat to further rubber imports, OPA Administrator Henderson announced.

Printing of the forms was being rushed to completion by the Government Printing Office and distribution to manufacturers and private brand distributors by special delivery mail was to be started December 21. The manufacturers and distributors were in turn asked to mail the forms to their retail and wholesale outlets.

The inventory forms provide for data on stocks of tires and tubes for passenger car, truck and bus, and "other" uses. The "other" classification includes farm implements, bicycles, motorcycles, trailers, wheelbarrows, excavation, road grading equipment, and all other vehicles. The forms must be returned to State defense councils by December 31, 1941. Data secured in the inventory study will be used by the Government in administering the rationing plan.

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Formation of rationing boards goes forward in all States

Organization of local tire rationing boards was moving forward in every State on December 23, according to OPA Administrator Henderson.

Members of the group working in the Central and Western States are:

Harry Camp, OPA regional director in San Francisco, directing organization of the boards in California, Oregon, Washington, Idaho, Nevada, and Arizona.

O. W. Campbell, associate regional coordinator, Division of Defense Housing Coordination, in charge of Utah, Montana, and Wyoming.

C. I. Long, assistant to the Minnesota State defense coordinator, in charge of Minnesota, North Dakota, South Dakota, and Iowa.

A. C. Tilley of the Division of Defense Health and Welfare Services, Denver, in charge of Nebraska, Kansas, and Colorado.

John C. Weigel, OPA regional director in Chicago, is handling Wisconsin, Illinois, Indiana, and Missouri.

George Bogert, professor of law, University of Chicago, and legal consultant to council of State government, working in Texas, Oklahoma, and New Mexico.

News for Retailers

Sugar Price Responsibility Put Up To Storekeepers

Responsibility of keeping the price of sugar stable to American housewives now rests with the Nation's retailers. OPA Administrator Henderson indicated December 29.

In an open letter addressed to all wholesalers and retailers of sugar, the OPA administrator called attention to Price Schedule No. 60—Direct Consumption Sugars—and pointed out that by thus imposing maximum sugar prices at the wholesale level his office has made it possible for retail outlets to acquire their supplies at no advance over pre-war prices. Under these circumstances, the letter said, "we urge all retailers to see to it that the American housewife can buy sugar at prices that reflect this stability at the wholesale level."

"I am confident," Mr. Henderson added, "that all food retailers will accept this serious responsibility in full measure."

Text of Mr. Henderson's letter follows:

To all wholesalers and retailers of sugar:

Under the stress of emergency conditions thrust upon our country by the outbreak of war, it has become necessary for your Gov-

ernment, acting in the public interest, to take two steps vitally affecting supplies and prices of refined and other "direct consumption" sugars.

The first step in the form of an order issued on December 13 by the Office of Production Management curtailed excessive purchases of sugar and, in effect, froze inventories. The second step, announced on Sunday, December 21, by the Office of Price Administration, established maximum prices at which primary distributors may sell refined and other "direct consumption" sugar to wholesalers and, in addition, restricted the resale of such sugars by wholesalers to the level of prices that prevailed during the period December 1-December 6.

Thus, by Price Schedule No. 60, the Office of Price Administration has acted to stabilize the prices at which wholesalers may buy sugar from cane refiners and beet sugar producers, as well as the prices at which all retail outlets may buy from the wholesale suppliers.

The OPA schedule does not set maximum prices for the sale of sugar at retail.

The primary purpose of the action of my office is to prevent the development of runaway prices for one of the most essential of all foodstuffs. Hoarding and profiteering in sugar reached the proportions of a national scandal during the last World War. I am confident that during this war America's retail distributors of food are 100 percent behind their Government's firm policy to protect the public against any repetition of this condition.

Now that we have taken steps to give retailers the benefit of stable wholesale sugar prices, we urge all retailers to see to it that the American housewife can buy sugar at prices that reflect this stability at the wholesale level.

I am confident that all food retailers will accept their responsibility in full measure.

New autos limited to 4 tires

An order prohibiting sale, shipment or delivery by producers or any other person of new passenger automobiles equipped with more than four new tires was issued December 24 by Priorities Director Nelson.

This means that dealers as well as manufacturers cannot sell or deliver new cars equipped with new spare tires. The order is effective immediately.

The ban is in line with the recently announced prohibition on sale, lease, trade, delivery or transfer of new tires except to fill orders bearing an A-3 or higher preference rating. Under this prohibition, an auto manufacturer cannot obtain new tires without special authorization from the Office of Production Management.

Mr. Nelson's order also formalizes the new December and January passenger

car production quotas in accordance with the recent announcement that quotas originally established for those months would be cut 25 percent and 50 percent, respectively.

May extend December quota

Because of the shutdowns usually occurring in the automotive industry during the holiday season, it is provided that manufacturers may extend the December quota into January, but the combined quotas for the 2 months cannot be exceeded. This carry-over privilege also applies to the use of bright work or bright finish containing certain critical materials, provided the parts are used on the first cars produced in January. An earlier order prohibited use of bright work, except in certain cases, after December 31.

Action on combed cotton yarns completes relating of ceilings to "spot" prices

Following close upon the establishment of flexible ceiling prices for cotton "fine goods," Price Administrator Leon Henderson issued December 24 a revised schedule of maximum prices for combed cotton yarns which similarly provides for upward and downward adjustments in line with fluctuations in "spot" cotton prices.

This completes the OPA program, begun last October, to tie in all of its existing ceilings in the cotton textile field with the price of raw cotton.

Not in final form

The December 24 schedule, Mr. Henderson explained, is not in final form as to several details. However, it was considered necessary to expedite its issuance in order to facilitate the Army's procurement program covering cloth for uniforms, windbreakers, barrage balloons, etc. The details that remain to be worked out include exports, treatment of jobbers, and amplification of the premium yarn provisions.

The general level of maximum prices as revised reflects the higher costs of long-staple cotton. The lower and upper counts of yarn have been somewhat reduced in price, and prices of the middle counts have been raised.

While the yarn numbers covered by the amendment are unchanged, the ceiling now extends over 3-ply yarns, as well as over singles and 2-ply. The 3-ply maximum prices are the same as for 2-ply. Particular attention is called to the fact that reference to yarns of "ordinary commercial quality" has been dropped out of the new price list and that the maximum prices now established apply to all qualities, grade and specifications of combed cotton yarns up through 120s in single, 2-ply and 3-ply.

Only two premiums permitted

Only two premiums, which are essential to the Army's procurement program, are permitted. These are:

1. A premium for warp twist varying with the count of the yarn. In this connection it is pointed out that the "twist standard" of warp twist is specifically defined.

2. A premium for unusually high quality cotton when the yarn is sold for weaving into wind-resistant cotton cloth and uniform twills for sale to the Army.

Provisions for adjustments in the ceiling prices as raw cotton prices change follow the same principles used in the other cotton yarn and textile schedules. While the level of the maximum prices

reflects the longer staple cottons used to manufacture combed yarns, the ceiling price adjustments are automatically geared to fluctuations in the average closing of 15/16ths middling cotton on 10 spot markets.

For yarn numbers up through 49s, the schedule provides for a one-half cent change in the ceiling price for every fluctuation of 40 points in raw cotton prices. For yarn numbers 50s and higher, the maximum prices change by one-half cent for every 37-point fluctuation in cotton prices.

Old and new ceilings compared

Comparison of the old and new ceiling prices on several important yarn numbers follows (cent per pound):

Yarn number	Dec. 23 "spot" cotton close ¹ (17.20-17.59)	Ceiling "base" (15.99-16.38)	Old ceiling
20s:			
Single-----	42.0	40.5	41.0
2-ply-----	45.5	44.0	45.0
30s:			
Single-----	46.5	45.0	45.0
2-ply-----	50.5	49.0	49.0
36s:			
Single-----	50.0	48.5	48.0
2-ply-----	55.0	53.5	53.0
40s:			
Single-----	53.0	51.5	50.0
2-ply-----	58.5 (17.45-17.81)	57.0 (15.99-16.35)	55.0
60s:			
Single-----	73.0	71.0	67.0
2-ply-----	80.0	78.0	72.0
90s:			
Single-----	110.0	108.0	108.0
2-ply-----	122.0	120.0	120.0

¹ 17.48 cents a pound.

Contracts made under the old ceiling must be carried out at the old ceiling prices.

Printed copies of the complete schedule will be available in the near future.

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Work-clothing representatives to meet January 6

Representative members of the work-clothing industry will meet at the OPM offices January 6 to nominate a list of names from which officials of the OPM will select an industry advisory committee. When this committee is chosen, R. R. Guthrie will serve as its Government presiding officer.

OPM urges textile mills be put on all-out production basis

The Office of Production Management urged December 29 that the country's textile mills be placed on an all-out production basis.

"It is urgently important to speed up production of all mills making cotton yarns and cotton fabrics of all kinds," said Frank L. Walton, chief of the OPM textile and fiber section. "It is hoped that plans can be made for mills to run overtime and on Sundays and begin third shift operations wherever possible.

Demands increasing rapidly

"Defense demands are increasing rapidly and will, no doubt, continue to increase and it will be necessary to take care of certain requirements for Lend-Lease and friendly foreign governments.

"Some mills are better equipped than others for producing defense fabrics and some mills can change over to defense fabrics easier than others. But this means that those plants which must produce fabrics used largely for civilian purposes must likewise increase production where possible to take care of essential civilian requirements. No shortage of raw cotton is anticipated.

"Several surveys have been made and certain facts collected which are now available in getting these textile plants organized for defense fabrics. This data will be revised and brought down to date immediately.

Each mill to consider own position

"Particular stress will be laid on combed yarns and fabrics of various types used for defense, also for cotton duck, osnabergs, sheeting, and such carded fabrics and yarns, and a study is being made of this production.

"It is going to be important for each mill to consider its own position and what changes it can make to produce some of these essential fabrics. Shortly data will be made available. There are a number of ways to increase production in essential plants and suggestions are invited from any plant that has a plan for increasing its capacity.

"To cooperate with the OPM in this plan, there is contemplated having a cotton textile advisory committee. Steps are being taken immediately to select such a committee. It is further contemplated that after the committee is set up several smaller committees will be organized to deal with essential defense fabrics."

Premium provisions modified in amended grey goods schedule

By a technical amendment to Price Schedule No. 35 (Carded Grey and Colored-Yarn Cotton Goods), OPA Administrator Henderson acted December 27 to modify the provisions under which "extra cam" and "fancy draw" premiums may be charged.

"Extra cam" premium

The "extra cam" premium, it is provided, may only be collected on weaves other than plain weaves which, exclusive of salvage, require five or more cams in their production. In such cases a premium of $\frac{1}{4}$ cent a yard may be charged for five-cam weaves; for weaves requiring six or more cams, the permissible extra charge is $\frac{1}{2}$ cent a yard. The change makes such fabrics as three-leaf twills and jeans, customarily made with a tape selvedge, ineligible for the "extra cam" premium, even though five cams are used in their weaving.

"Fancy draw" premium

The "fancy draw" premium, the amendment makes clear, is not applicable to all-over patterns resulting from cam or dobby-loom weaving unless additional effects such as ply cords, bunched ends, etc., are added to the all-over pattern.

The amendment became effective December 29.

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Plea to salvage all burlap follows allocation order

After announcement by OFM on December 22 of a burlap allocation order, the Bureau of Industrial Conservation December 26 called upon all users of burlap supplies to conserve and salvage any of this material in their possession at present.

Wholesalers, retailers, farmers, or any users of burlap bags were urged to return the bags to the source from which they had come, or to dispose of them with any other so-called waste materials, such as waste paper, scrap metals, old rags, and rubber. All of these items are currently being collected as part of the national "salvage for victory" program sponsored by the Bureau. Waste dealers will now buy burlap, it was said, or collecting charities will accept the material.

Revised ceiling ties "fine" goods to market price of raw "spot" cotton

Revised ceiling prices for cotton "fine goods," tied to the market price of raw "spot" cotton, were announced December 24 by OPA Administrator Henderson.

Cotton "fine goods" for the most part are woven of combed cotton yarn made from long-staple cotton, which sells at a premium above ordinary cotton.

Schedule completely rewritten

While retaining the number of the original cotton grey goods schedule (No. 11), the revamped schedule has been completely rewritten and now bears the title "Fine Cotton Grey Goods." In addition to the constructions of combed broadcloth, combed lawns, dimities, and voile already covered, the new schedule takes in eight marquisettes, five filling sateens, and single constructions of pique and pongee. As now enlarged the OPA ceiling extends over about 50 percent of the fine goods market. Its issuance follows completion of a study of production costs of a wide variety of fine goods.

Similar in form to No. 35

The schedule lists maximum prices for fine goods in the form already made familiar to the trade by Price Schedule No. 35, which tied maximum prices for carded grey and colored yarn cotton goods to raw "spot" cotton. However, the "tripping points" for fine goods prices (i. e., the points at which ceiling prices change as cotton moves up or down) are based upon 50-point fluctuations in the market price of $15\frac{1}{16}$ ths middling "spot" cotton, and changes in the goods prices themselves are the basis of hundredths of a cent per yard, rather than in hundredths of a cent per pound.

For those fine goods which already were covered by the schedule, the ceiling prices, using the 15.99-16.48 spot cotton price range for comparison, have been raised in the case of 13 constructions and lowered in the case of five constructions. These changes take into account results of the recently completed cost study and changes in the premiums at which long-staple cottons sell.

Comparison of ceilings

Comparison of old, new "base," and current ceiling prices for leading constructions in each group of fine goods follows (cents per yd.):

Construction	Dec. 23 Ceiling (16.99-17.48 cotton)	Base Ceiling (15.99-16.48 cotton)	Old Ceiling
37 inches 136×60 combed broadcloth, single ply.....	16.10	15.80	14.875
40 inches 76×72 combed lawn.....	16.00	10.75	10.25
36 inches 96×68 dimitie.....	10.55	10.40	10.75
30 inches 60×52 slack twist voile.....	9.50	9.35	9.00
38 inches 176×100 pique.....	24.18	23.80	(1)
38 inches 72×100 pongee.....	13.86	13.65	(1)
20½ inches 48×28 marquisette.....	8.38	8.25	(1)
38½ inches 84×136 carded filling sateen.....	18.04	18.65	(1)

¹ Not covered by old ceiling.

An important change is made in the schedule as regards export sales. Originally, all export sales were exempted from the fine goods ceiling prices. As revised the schedule does not permit manufacturers to sell for export at prices above the established maximums without first obtaining permission to do so from OPA. Approval of such applications will be based upon actual higher costs involved in export sales.

Jobbers and wholesalers, with only certain exceptions, are not bound by the ceiling prices, either in connection with their domestic or export sales.

The entire question of export sales is under study. It is contemplated that on the basis of information now being collected, a more definitive provision will be made for export sales.

Other features outlined

Other features of the revised schedule are as follows:

1. Mills are required to report monthly to OPA the details of all fine goods produced in quantities of 15,000 yards or more in the preceding month in any construction or weave not covered by the maximum prices.

2. The new maximum prices are made applicable to any contracts made under the recent interim amendment allowing sales on memorandum pending issuance of the revised schedule.

3. A special section deals with so-called "specification goods," that is, goods made according to a customer's particular requirements that cannot be satisfied by standard goods. Goods of demonstrably superior quality also are dealt with in this section.

4. Premiums are provided for certain special weaves and weaving effects, such as fancy draw, hard twist, clipping, etc.

Ceilings on 39 grades of green coffee from 28 countries included in new schedule

A definitive schedule of maximum prices for green coffee, superseding the emergency schedule of December 11, was announced December 28 by OPA Administrator Henderson.

Takes in 39 grades

Whereas the emergency schedule covered only 15 grades, the new schedule takes in 39 grades imported from 28 foreign countries. Maximum prices established for "spot" coffee are one-quarter of 1 cent per pound higher than those set in the temporary schedule. Differentials in prices of the various grades are those agreed upon at a conference held in New York December 18 between officials of OPA and representatives of all branches of the coffee trade from large and small trading centers.

Ceiling prices for "futures contracts" traded on the New York Coffee and Sugar Exchange are retained in the new schedule at the levels prevailing at the close of that market on December 8. Only two grades: Santos #4 and Rio #7, both of Brazilian origin, are the subject of "futures" trading. The closing prices of December futures as of December 8 were 12.83 cents per pound for Santos #4 and 8.26 cents a pound for Rio #7.

All forms of selling covered

All forms of selling, excepting sales at retail and sales of less than one bag are covered by the schedule.

"The ceiling for green coffee as established by the new schedule is intended to provide the American public with ample supplies of coffee at prices not inflated by the impact of war," Mr. Henderson stated. "The prices were arrived at after studies that covered a period of 6 months.

"In keeping with the terms of the pending price-control bill, the coffee ceilings generally represent the price levels that prevailed on October 1, adjusted in some instances to reflect changes resulting from the Inter-American Coffee Board conference of October 23.

Sound basis for trading

"The Inter-American Coffee Board has been fully informed as to the substance of today's schedule and the members of that board, representing 14 Latin American neighbor countries responsible for about 98 percent of United States coffee supplies, have expressed the belief that

the OPA ceiling prices provide a sound basis for trading.

"The schedule is tangible evidence of the United States Government's approval of the purpose of the Inter-American Coffee Agreement, which is to give 'prices fair to producers and consumers'."

In order to assure to South American producing countries a constant return on their exports of coffee, the schedule contains a special provision with regard to rates for ocean freight, war-risk insurance, and marine insurance. Any changes in such rates from those that prevailed on December 8, it is stipulated, shall be added to or deducted from the established maximum prices.

The ceiling prices are quoted in cents per pound, ex dock New York City. A commission not to exceed 1 percent of the maximum price may be paid by a buyer requiring the services of a broker at the port of entry. With this excep-

Ceiling imposed on all types of leather to forestall higher prices for products

Leather of all types, grades, and qualities may not be sold above the highest prices that prevailed during the period November 6-December 6 under the provision of a new emergency ceiling schedule issued December 25 by OPA Administrator Henderson. The new schedule went into effect on December 29.

To forestall higher prices

"Behind today's action is the desire of OPA to forestall the higher prices for shoes and other leather products that inevitably would follow advances in the cost of leather," Mr. Henderson stated. "Greatly increased demands for leather and leather raw materials already are developing as result of our own expanding army and navy and the need to help our allies. At the same time many foreign sources of hides and skins will be cut off for the time being because of the war at sea. Taken together, these factors spell great pressure for higher leather prices. The emergency price schedule is intended to prevent this."

Ceiling is temporary

Like most of the other schedules issued by OPA since the war broke out 2 weeks ago, the leather ceiling is temporary in nature and subject to revision after

tion and the special provision for variations in ocean freight and insurance rates, the maximum prices include all charges and commissions.

The schedule makes it clear that the maximum prices apply to the best quality of each type and grade named. In respect to green coffee imported from any other country or for grades not named of poorer quality, the maximum prices shall be determined by applying the customary trade differentials in effect prior to the United States declaration of war. Premiums commensurate with pre-war trade practices may be added for aged grades of "extra superior" quality or for imports from any country of limited amounts of coffee of quality markedly superior to the best grade listed for that country.

As was provided in the temporary schedule, the new schedule allows completion of all contracts entered into prior to December 11. However, all sellers and buyers with outstanding contracts at prices above the OPA maximums are required to report the details thereof to OPA on or before January 12, 1942.

studies now under way are completed.

All forms of selling, excepting retail, are covered by the new schedule and the term "leather" is so defined as to include whole pieces or cut stock, as well as shearlings.

Contracts entered into before the schedule's effective date, December 29, may be completed at the contract prices, even though these may be above the new ceilings.

Method of determining maximum prices

The method of determining the maximum prices for each seller of leather is set forth in the schedule as follows:

1. The maximum price shall be the highest price contracted for or received by the seller for the sale or delivery during the period between November 6, 1941, and December 6, 1941, inclusive, of leather of the same type, quality, and grade to a purchaser of the same general class.
2. If during said period no such sale or delivery was made, the maximum price shall be a price in line with the maximum prices for related types, qualities, and grades of leather, determined in accordance with paragraph (1) above, to purchasers of the same general class.
3. No seller of leather shall increase the maximum prices established by this schedule by requiring a purchaser to pay transportation or other charges in connection with a sale or delivery of leather which such purchaser would not have borne during said period.

OPA announces conditions governing tire sales to users on "eligible" list

Details of the conditions which must be met by "eligible" tire users in securing new tires and tubes under the rationing plan to go into effect January 5 were announced December 28 by OPA Administrator Henderson.

These conditions are set forth in the official order issued by the Priorities Division of the Office of Production Management establishing the rationing plan. The plan is being instituted because of the fact that further importation of crude rubber is imperiled by the Japanese attacks on rubber-growing areas in the Far East. The order is unique in that it delegates to the Office of Price Administration a wide range of powers regarding administration of the rationing plan. This delegation was expressly approved by President Roosevelt, who countersigned the order.

Conditions governing sale of tires

Conditions governing sale of tires to users on the eligible list (operators of vehicles required for maintenance of the public health and safety, transportation vehicles with a capacity of 10 or more passengers, and essential truck operations) include:

(1) That the vehicle on which the new rubber tire, casing, or tube is to be mounted is included in one of the categories enumerated in List A, and thus constitutes an "eligible" vehicle.

(2) That the vehicle on which the new rubber tire, casing, or tube is to be mounted cannot be replaced by a vehicle owned or operated by or subject to the control of the applicant, which is equipped with serviceable tires and tubes and which is not fully employed for a use specified in one or more of the categories enumerated in List A.

(3) That the new rubber tire, casing, or tube is to be installed at once on a wheel or rim, to replace a tire, casing or tube no longer serviceable.

(4) That the tire, casing, or tube, when added to all other tires, casings, and tubes in the applicant's possession, whether unmounted or mounted on a vehicle, and when that total is applied only to eligible vehicles, does not add up to more than one spare tire, casing, or tube of a given size for each eligible vehicle.

(5) That the existing tire, casing, or tube cannot be recapped, retreaded, or repaired for safe use at speeds at which the applicant may reasonably be expected to operate, or that such recapping, retreading, or repairing cannot be obtained without inordinate delay.

(6) That the applicant agrees to trade in replaced tires, casings, and tubes on new tires, casings, and tubes purchased under this order, or to dispose of replaced tires, casings, and tubes as may otherwise be directed by the Office of Price Administration.

OPA field staff to handle rationing

The task of administering the tire rationing plan was delegated to OPA, Mr. Henderson explained, for several reasons, paramount among which is the close relation between the problems incident to price control and to rationing. Furthermore, he pointed out, the OPA field staff now being set up will be organized along lines fitting it to handle rationing prob-

lems; the consumer division of OPA is in a position to represent effectively the consumer viewpoint in development of rationing plans and has participated in preparation of the tire rationing plan; and the work of OPA has brought it closer to retailers than the operating divisions of OPM dealing largely with manufacturers.

"It has been possible to develop the rationing plan for tires on short notice only through the close cooperation and unstinting aid of many governmental agencies including particularly the Office of Production Management," Mr. Henderson stated. "I am deeply appreciative of the fine spirit which has been shown by all agencies which have worked on the plan."

Other powers delegated to OPA

There is delegated to the Office of Price Administration, in connection with administration of the rationing plan, the powers of the Office of Production Management with respect to the granting of exceptions and exemptions; the interpretation of the order; the prescribing of forms for reports; the prescribing of requirements with respect to the keeping of records; the making of audits, inspections, and investigations; and the making of amendments in various respects. Power to revoke the order is reserved to the Office of Production Management.

The order provides that any person who willfully violates any provision, or falsifies records or information to be furnished pursuant to the order may be prohibited by the Office of Price Administration from receiving further deliveries of any new rubber tires, casings, or tubes. Recommendations for prosecution under Section 35A of the Criminal Code and recommendations to the OPM that violators be prohibited from receiving further deliveries of any other material subject to allocation may also be made by the Office of Price Administration.

Setting up of tire rationing boards

Rationing Regulation No. 1 attached to the order outlines the procedure under which local tire rationing boards are being set up. These boards will consist of three members who will serve as agents of OPA; the members will be appointed by OPA but that agency may be guided in its discretion by recommendations of State and Local Defense Councils.

Mr. Henderson explained, in this connection, that the Office of Price Administration will not contact local rationing boards directly but will work only through the State Defense Councils.

Processing of rubber permitted for fire hose, other apparatus

Processing of rubber for the manufacture of fire hose and other fire-extinguishing apparatus will be permitted under an amendment issued December 27 to the order sharply restricting rubber consumption and temporarily prohibiting most sales of new automobile tires.

The exemption from terms of the order, however, applies only to production of fire-fighting equipment at the November 1941 rate, pending a further survey.

This amendment to Supplementary Order M-15-b, issued by Donald M. Nelson, director of Priorities, also corrects an error in the first amendment—the one which extended the ban on tire sales to January 5.

Permission was granted under the first amendment to process rubber at the November 1941 rate for the manufacture of "heels made of black or brown composi-

tion rubber only, and rubberized fabrics, innersoles, midsoles, fillers, and backing cloths to be incorporated in shoes and other footwear."

It was intended that this exemption should apply also to "soles, taps, and soling strips made of black composition only," and the new amendment adds this language to the original provision.

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Steps taken to halt further rise in wax prices pending ceiling

Action to prevent further rise in the price of waxes was taken December 27 by OPA Administrator Henderson.

The OPA head requested that no sales of Carnauba, Beeswax, Candelilla, and Ouricury, which comprise 96 percent of the waxes consumed in this country, be made at prices higher than the f. o. b. New York prices prevailing December 18, 1941.

TRANSPORTATION . . .

Office of Defense Transportation created by President within OEM

President Roosevelt, by Executive order dated December 18 and published in the Federal Register of December 25, created within the Office for Emergency Management an Office of Defense Transportation. Text of the order follows:

By virtue of the authority vested in me by the Constitution and statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to define further the functions and duties of the Office for Emergency Management with respect to the state of war and to assure maximum utilization of the domestic transportation facilities of the Nation for the successful prosecution of the war, it is hereby ordered:

"Domestic transportation" defined

1. The term "domestic transportation" whenever used in this Order shall include railroad, motor, inland waterway, pipe line, air transport, and coastwise and intercoastal shipping.

2. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Defense Transportation, at the head of which shall be a Director appointed by the President. The Director shall discharge and perform his responsibilities and authorities under the direction and supervision of the President. The Director shall receive compensation at such rate as the President may determine and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

To coordinate policies, activities

3. Subject to such policies, regulations, and directions as the President may from time to time prescribe, the Office of Defense Transportation shall:

a. Coordinate the transportation policies and activities of the several Federal agencies and private transportation groups in effecting such adjustments in the domestic transportation systems of the Nation as the successful prosecution of the war may require.

b. Compile and analyze estimates of the requirements to be imposed upon existing domestic transport facilities by the needs of the war effort; determine

the adequacy of such facilities to accommodate the increased traffic volume occasioned by the war effort; develop measures designed to secure maximum use of existing domestic transportation facilities; and stimulate the provision of necessary additional transport facilities and equipment in order to achieve the level of domestic transportation services required; and in this connection advise the Supply Priorities and Allocation Board as to the estimated requirements and recommend allocations of materials and equipment necessary for the provision of adequate domestic transportation service.

To direct traffic movements

c. Coordinate and direct domestic traffic movements with the objective of preventing possible points of traffic congestion and assuring the orderly and expeditious movement of men, materials, and supplies to points of need.

d. In cooperation with the United States Maritime Commission and other appropriate agencies, coordinate domestic traffic movements with ocean shipping in order to avoid terminal congestion at port areas and to maintain a maximum flow of traffic.

e. Perform the functions and exercise the authority vested in the President by the following subject to the conditions set forth in paragraph 3 of this Order:

(1) Sec. 1 (15) of Interstate Commerce Act as amended, USC title 49, sec. 1 (15).

(2) Sec. 6 (8) of Interstate Commerce Act as amended, USC title 49, sec. 6 (8).

f. Survey and ascertain present and anticipated storage and warehousing requirements at points of transfer and in terminal areas; and encourage the provision of increased storage, loading, and unloading facilities where necessary.

To take part in rate negotiations

g. Represent the defense interest of the Government in negotiating rates with domestic transportation carriers and in advising the appropriate governmental agencies with respect to the necessity for rate adjustments caused by the effect of the defense program.

h. Advise upon proposed or existing emergency legislation affecting domestic transportation, and recommend such ad-

ditional emergency legislation as may be necessary or desirable.

i. Keep the President informed with respect to progress made in carrying out this Order; and perform such related duties as the President may from time to time assign or delegate to it.

OPM to determine preferences

4. In the exercise of its functions and authority with respect to transportation priorities and preferences, the Office of Defense Transportation shall be governed as to the relative importance of deliveries required for defense by such instructions, certifications, and directives as may be issued by the Office of Production Management pursuant to the provisions of the Executive Order of August 28, 1941,¹ entitled "Delegation and Coordination of Priority Authority;" and the Office of Defense Transportation shall take all lawful steps within the scope of its authority to effect such deliveries through appropriate public or private agencies.

5. In the study of problems and in the discharge of its responsibilities, it shall be the policy of the Office of Defense Transportation to collaborate with existing departments and agencies which perform functions and activities pertaining to transportation and to utilize their facilities and services to the maximum. Particularly, the Office of Defense Transportation shall maintain close liaison with the United States Maritime Commission in the consideration of problems involving the relationship of ocean shipping with coastwise and intercoastal shipping and inland transport; with the Interstate Commerce Commission on problems of rates, routing, and car service; and with the War and Navy Departments with respect to the strategic movement of troops and supplies by domestic transportation carriers. The Office of Defense Transportation may arrange for the establishment of committees or groups of advisers representing two or more departments and agencies or private transportation groups, as the case may require, to study and develop plans for the coordination and most effective use of existing domestic transportation facilities.

Liaison officers to be named

6. To facilitate unity of policy and action and the use of existing govern-

¹ 6 F.R. 4483.

mental services, the heads of each of the following departments and agencies shall designate a responsible representative or representatives to maintain formal liaison with the Office of Defense Transportation: The Department of War, the Department of the Navy, the Department of the Treasury, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Labor, the Interstate Commerce Commission, the United States Maritime Commission, the Civil Aeronautics Board, the Federal Works Agency, the Federal Loan Agency, the Board of Investigation and Research appointed under the Transportation Act of 1940, the Office of Production Management, the Office of Price Administration, the Economic Defense Board, and such additional departments and agencies as the President may subsequently designate.

Divisions in office

7. There shall be within the Office of Defense Transportation a Division of Railway Transport, a Division of Motor Transport, a Division of Inland Waterway Transport, a Division of Coastwise and Intercoastal Transport, and such other operating and staff divisions as the Director may determine. The Director may provide for the internal management of the Office of Defense Transportation and shall obtain the President's approval for the appointment of the heads of the above divisions and such other divisions as may be established.

8. Within the limits of such funds as may be appropriated or allocated to the Office of Defense Transportation, the Director may employ necessary personnel and make provision for the necessary supplies, facilities, and services. However, the Office of Defense Transportation shall use such statistical information, fiscal, personnel, and other general business services and facilities as may be made available through the Office for Emergency Management.

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KNOX ASKS 168-HOUR WEEK

Secretary of the Navy Frank Knox on December 23 asked that establishments manufacturing naval material be worked to the limit of available workers and material for 24 hours per day and 7 days per week—but, insofar as practicable, that individual employees work 6 days only per week.

Two new field offices opened

Opening of two additional field offices, one at Tulsa, Okla., and one in Charleston, W. Va., to help qualified manufacturers obtain war work has been announced by the Contract Distribution Division of OPM, bringing to 97 the total number of such offices now operated by the division.

Location of new offices

Addresses of the new offices are:

Tulsa, Okla.—435 Kennedy Building. John H. Keyes, acting manager.

Charleston, W. Va.—Capital and Quarrier Streets. John A. Kennedy, recently appointed chairman of the State advisory committee for West Virginia, will make Charleston his headquarters.

Manufacturers in these cities are invited to take or send to the new offices information as to the equipment of their plants and types of products they now make or have made in the past. Owners of factories qualified to do war work will be given engineering assistance and directed to the Government procurement offices or contractors who have war work that they might do.

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Dairy industry representatives to meet in Washington Jan. 6

Representative members of the dairy industry have been invited to meet in Washington January 6, 1942, to nominate persons in the industry for membership on a dairy industries advisory committee and to discuss problems confronting the industry.

On the agenda

Among the matters to be taken up are: conservation of strategic materials used in the construction of dairy equipment; maintenance and replacement needs of the industry; allocations of strategic and critical materials among the various units of the industry; allocations of plant expansion and of new plant facilities; allocations of Lease-Lend and other defense orders; cooperative exchanges of machinery and inventory to lessen demands of the industry for new machinery; plant conversion, and any possible adjustment in distribution methods.

Clyde E. Beardslee, who is in charge of dairy products in the OPM foods supply branch, has been designated Government presiding officer of the committee.

36 bedding industry executives named to advisory panel

Thirty-six bedding manufacturing executives, comprising a geographical cross section of the entire industry, have accepted appointment by OPA to an industry advisory panel, Administrator Henderson announced last week.

This panel will be drawn upon from time to time for committees to furnish OPA with such technical information as it may require on industry price problems.

Members of the newly appointed panel and their business connections are as follows:

Harold G. Balyeat, Balyeat Manufacturing Co., Mansfield, Ohio; A. Becker, Becker & Co., New York, N. Y.; L. P. Best, Mobane Royall Co., Mobane, N. C.; Henry Brandewein, A. Brandewein & Co., Chicago; R. Brewer, Rome Co. Premier Bed Spring, San Francisco; I. Buchman, I. Buchman Co., Brooklyn, N. Y.; Kenneth F. Carragher, C. B. Van Vorst Co., Los Angeles; E. Casey, Leggett & Platt Manufacturing Co., Louisville, Ky.; Jesse E. Eofnass, New York Mattress Co., Boston, Mass.; A. O. Foster, Foster Brothers, Utica, N. Y.; H. M. Graves, Barcalo Manufacturing Co., Buffalo, N. Y.; F. M. Jackson, Perfection Mattress & Spring Co., Birmingham, Ala.; H. D. Jamison, Jamison Anchor Bedding Co., Nashville, Tenn.; J. R. Haas, U. S. Bedding Co., Memphis, Tenn.; Paul W. Hake, Burton Dixie Corporation, Chicago.

Jack Hubbell, The Simmons Co., New York, N. Y.; W. Hume Hogan, The Logan Co., Louisville, Ky.; L. G. Koch, Columbia Bedding Co., Chicago; W. Lamey, Haggard & Marcusson Co., Chicago; R. L. McCleevy, Joseph Turk Manufacturing Co., Bradley, Ill.; W. McNamara, American Beauty Mattress, Lynchburg, Va.; H. B. Mallory, P. R. Mitchell Co., Cincinnati, Ohio; E. B. Malone, Miami Mattress Manufacturing Co., Miami, Fla.; J. L. Moore, The Moore Co. Muncie, Ind.; Frederick Parker, Parker Bedding Co., Houston, Tex.; J. B. Pike, J. Ed. Swonder & Co., Evansville, Ind.; Ira Pink, Superior Felt & Bedding, Chicago; H. F. Reed, L. C. Doup Co., Omaha, Neb.; M. Salisbury, Salisbury-Satterlee-Way, Minneapolis; R. W. Schwab, Southern Spring Bedding Co., Atlanta; C. Shaugnessy, R. H. Macy & Co., New York City; N. Shore, Superior Sleeprite Corporation, Chicago; Leo Simon, Simon Mattress Manufacturing Co., San Francisco; E. F. Stearns, Stearns & Foster, Lockland, Ohio; Frank M. Welkal, A. J. Logan Co., Pittsburgh; and I. Weisglass, Eclipse Sleep Products, Brooklyn, N. Y.

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J. J. Miller appointed as OPA technical expert

Appointment of Jay Jefferson Miller, Baltimore department store executive, to the textile, leather, and apparel section of OPA was announced December 18 by J. K. Galbraith, assistant administrator.

Mr. Miller, who has been vice president and director of the Hecht Company in Baltimore, will serve as a technical expert in the preparation of price actions involving the channels of distribution.

MATERIALS . . .

Power pooling and rationing seem certain as new victory needs outstrip supply

This Nation, now faced with new and unprecedented demands on its production capacity, needs electric power—lots of power—to make the aluminum and iron and steel and thousands of tanks and guns and planes for the war against the Axis.

But there is not enough power. For the defense program sent the need for power soaring in broadening spirals to new heights, and the new Victory Program will surpass even those requirements.

Just to make matters more difficult, it so happens that some of the things we need most—like aluminum and magnesium—are the very things whose production eats up power at an enormous rate.

That's why the country is facing a serious power shortage in important strategic defense areas; why deficiencies in 1942 and 1943 seem certain in several sections of the country, including the Southeast, the Southwest, the Pacific Coast, and part of the Middle West.

It's not that the public and private power agencies serving those areas have been asleep at the switchboard. They anticipated increased power demands and ordered new power equipment accordingly. But, as everyone knows, the defense program did not remain static. Beginning a year and a half ago at a fairly moderate pace, it was stepped up from time to time until by the time Japan attacked Pearl Harbor the program was moving along at a pretty lively rate. But that will seem slow by a comparison with what is ahead, now that we are at war.

Unfortunately, it hasn't been possible for power facilities to keep up with the step-up in production. It just isn't possible to build a new power plant as quickly as a new powder plant. A new aluminum plant can be built in 6 months, but it takes 2 years to build a new steam plant and as long or longer to build a power dam.

Machinery orders heaviest in history

Orders for power machinery since the start of the defense program have been the heaviest in history. Steam turbines with a total generating capacity of 3,000,000 kilowatts were ordered in 1940

and 4,500,000 kw. in 1941. Hydro or waterpower generators ordered in 1940 amounted to 500,000 kw. in 1940 and double that amount in 1941. Of the steam turbines ordered in the 2 years, probably not more than 2,000,000 kw. have been completed, leaving a backlog of more than 5,000,000 kw. still to be completed.

Nor is that all. The same industry has had the job of building marine turbines for our two-ocean navy and our expanding merchant marine. Naval vessels are floating power plants. For example, a big battleship or aircraft carrier has a power plant of sufficient capacity to furnish the ordinary power needs of a city of half a million people. The power plants of such ships have capacities of up to 150,000 kw. Compare that with TVA's Norris Dam which has a capacity of only 100,000 kw.

The turbines being built for the two-ocean navy and the merchant marine total approximately one-half the present installed capacity of all the power plants in this country.

The important thing is that, however great the task, the country's power-producing facilities are being increased. At the end of 1940 the country's power capacity was roughly 50,000,000 kw. New capacity at the end of 1941 was estimated at 2,180,000 kw., an additional 3,096,000 kw. by the end of 1942, and an increase of 1,834,000 kw. by the end of 1943. At present only 535,000 kw. of new capacity is scheduled for 1944 but that probably will be increased. The increase from 1941 through 1943 is approximately 7,000,000 kw.

Increase capacity of strategic areas

More important than the over-all figure for the country is what is being done to increase capacity in strategic defense areas. In the Tennessee Valley area, for instance, where a large part of our total aluminum output is being produced and where the production of ferroalloys and phosphorus is important, the Tennessee Valley Authority was scheduled to increase its capacity 159,000 kw. in 1941, 437,000 kw. in 1942, and 149,000 kw. in 1943.

In the West, where enormous aluminum and magnesium plants are being

built and where some of our largest airplane and shipbuilding plants are located, public and private power agencies together are adding to their capacity. For instance, the Bonneville-Grand Coulee capacity was scheduled to be stepped up 148,000 kw. in 1941, 275,000 kw. in 1942, and 114,000 in 1943. New units for the Bureau of Reclamation's Parker and Boulder dams were scheduled to bring in 195,000 additional kilowatts of capacity in 1941, 142,500 in 1942, and 30,000 in 1943. Pacific Gas & Electric, serving central and southern California, planned for an increase of 84,000 kw. in 1941, 66,000 in 1942, and 219,000 in 1943.

Similar expansions have been planned for the industrial East and Middle West, with Public Service of New Jersey scheduling 50,000 kw. additional in 1942 and 150,000 in 1943; Philadelphia Electric, 259,000 in 1943; Detroit Edison, 75,000 each of 3 years beginning with 1941; American Gas & Electric, 360,000 new capacity in 1942; Commonwealth Edison of Chicago, 74,000 in 1941, 160,000 in 1942, and 143,000 in 1943.

Must resort to pooling, rationing

These figures on power expansion should not, however, give one a false feeling of security in regard to the adequacy of power. Big as the expansion is, it is not big enough. All sorts of devices will have to be resorted to. Of these, probably the most effective will be power pooling on a grand scale. This is a procedure whereby the power systems in a large section of the country are hooked together so that power not needed in one part of that section can be sent to another part where it is needed.

Power rationing is also in store for the shortage areas. In order to assure vital defense industries all the power they need, power for civilian uses will be curtailed.

Every piece of power machinery that can be produced, and which can be spared from the two-ocean naval program, will be needed. Even so, the shortage will not be overcome by the time the victory program reaches its peak.

Shortages expected to develop

Typical of the shortages expected to develop in several sections of the country is the situation in the Southeastern area served by the Tennessee Valley Authority and the Aluminum Co. of America. OPM studies show that power loads in that section for the last 6 months of

1943 will approximate 1,010,000,000 kilowatt-hours per month, even if we add in that area no more defense loads other than Government-owned aluminum plant facilities presently projected.

Total power available in the TVA-Alcoa area, including plants now under construction by TVA and the Aluminum Co., will average around 900,000,000 kilowatt-hours per month, leaving a deficiency of over 100,000,000 kilowatt-hours per month. (A kilowatt-hour is the quantity of power consumed by a 100-watt bulb in 10 hours. The average residential consumption in this country is approximately 85 kilowatt-hours per month.)

It was because of this that the OPM supported the construction of Douglas Dam.

Power for electrometallurgy

It is power that makes the wheels of our munitions plants go around.

Electric energy is playing an increasingly important role in another field—that of electrometallurgy and electrochemistry. Airplanes are made out of aluminum and magnesium, and electric power is indispensable in the production of both.

Highest grade alloy steel—used in high speed machinery, ordnance, naval vessels, tanks, and airplanes—is also made with electricity, in electric furnaces.

Copper and zinc are other metals vital for the Victory Program and electric power enters into the production of both of them. Electricity is used in the final refining process of nearly all copper and in the major part of zinc.

Power for electrochemistry

Chlorine, a principal element in the manufacture of deadly poison gas, is made from common table salt—sodium chloride. The job here is to break the chlorine free from the sodium, and here again electricity takes over the job.

Electrochemistry includes a large number of other chemicals used in the defense program. Most of the phosphorus, an ingredient of explosives, is made electrolytically. Another of the important electrochemical products is calcium carbide, the material from which acetylene gas is made.

Less well-known perhaps but even more useful in the defense program is oxyhydrogen welding, without which the building of our two-ocean navy would slow down considerably. The oxyhydrogen flame is so hot that it cuts through inch-thick armor plate like a hot knife sliding through butter. Oxyhydrogen is

another of the defense materials made possible by electricity.

Unfortunately, these electrochemical and electrometallurgical processes require enormous quantities of power—much more, per pound of material, than the power needed to turn wheels or operate pumps and compressors.

Ordinary mechanical power

All this, however, does not belittle the importance of electricity for ordinary mechanical power. The requirements for this mechanical power is large, running into billions of kilowatt-hours a year. But most of these plants were in operation before the rearmament program began and their power requirements were provided for.

That is not so with respect to electrometallurgical and electrochemical plants. The greatest expansion during the defense program has been in that field, and the additional burden on the country's power supply has been very heavy.

Need prime power 24 hours a day

The 2,240,000,000 kilowatt-hours of power used in 1936 for the production of aluminum was mostly secondary power—that is, power that was available at times during the year when rains were plentiful and storage reservoirs full. With the 14,000,000,000 kilowatt-hours needed for the defense aluminum requirements it is entirely different. That must be prime power available 24 hours a day, 7 days a week, 365 days a year. It must be available despite drought that dries up stream beds and draws down storage reservoirs. It must be available even though it means a blackout of city streets and more drastic measures if necessary.

This is not theory. We have already had one experience with shortages in the Southeast due to heavy defense loads combined with drought. Requirements of the aluminum plants in Tennessee and Alabama were especially heavy.

"What do we do about it?"

Power shortages are expected in other parts of the country in 1942 and again in 1943. They probably will recur in the Southeast, because increased capacity will be absorbed by increased defense loads. But the Southeast probably won't be alone. A shortage is possible in 1942 in the Southwest—in Texas, Arkansas and Louisiana where new magnesium, aluminum, and explosives plants are being built.

A shortage may also develop in Buffalo, the former electrochemical center of the country.

St. Louis may also feel the pinch of a power shortage in 1942. A good many defense industries are located there, including a zinc refining plant that uses an electrolytic process.

And despite large hydroelectric dams built by the Government in the Pacific Northwest in recent years, that section may also feel the power shortage in 1942. Big electrometallurgical and electrochemical plants, including aluminum and chlorine, are the reason.

The question, then, is what do we do about it?

The OPM power branch has already shown that much can be done. When the Southeastern trouble developed OPM stepped in. It ordered a blackout of all nonessential lighting, such as signs, show-windows, interior and exterior decorative lighting, and flood lights for all purposes, including night football games. It ordered more than 40 interconnected utility systems forming almost a solid block from Texas to Florida and from Illinois to Virginia to feed their surplus power into the six States where the shortage existed.

It ordered a curtailment of power for all large commercial and industrial consumers not engaged in vital defense production.

The result was highly successful. The power pool brought into the shortage area more than 40,000,000 kilowatt-hours a week, some 15,000,000 kilowatt-hours more than came in under the previous voluntary arrangement. The blackout and voluntary curtailment of residences reduced consumption by some 7,000,000 kilowatt-hours a week.

The pattern used in the Southeast can be followed in general when shortages develop elsewhere or recur in the Southeast, with such adaptations as are necessary to meet changed local conditions.

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ARMY SEEKS RADIO OPERATORS

Amateur radio operators throughout the country now have the chance to turn their hobby into a vital role in the Army of the United States, the War Department has announced. Amateurs between the ages of 18 and 35, unmarried and in good physical condition, are urged to apply to the nearest Army recruiting station or to the Signal Officer at the Headquarters of the respective corps areas for further information and enlistment in the Signal Corps.

Problems confronting OPM and industry taken up by Industry Advisory Committees

A number of questions have arisen as to the function and organization of Industry Advisory Committees. Following is a simple explanation of what these committees do, how they are set up, and how they are used by the Office of Production Management.

The outbreak of war and the consequent need for more and faster production of war materials has made it more than ever important for industry and the Government to coordinate their efforts to obtain maximum output from the Nation's industrial plant.

As the shortage of vital materials grows and spreads, it is necessary for the Office of Production Management to have the continuous advice of an ever increasing group of American industry as to the best methods of turning out the war materials quickly and to make the best possible use of what is left of these scarce materials for civilian needs.

Furnish specialized information

Such close contact between industry and the Government is provided by Industry Advisory Committees, some 30 of which have already been set up by OPM and more will be added.

The main function of the committees is to make available to OPM the specialized information about those industries that only the men who run the industries are in a position to know.

The committees are advisory only; OPM makes all the decisions. The committees, do, however, make recommendations which OPM studies and may adopt if not incompatible with the war program.

Needs of the war program come ahead of all else, but the needs and wishes of industry are considered, as well as civilian supply where not incompatible with the needs of the war effort.

Advise on putting program into effect

For example, the war in the Pacific will reduce imports to this country of materials required for the war program. The same materials have important civilian uses—in fact, until a year and a half ago almost the entire supply of these commodities went into civilian use. But now the supply is to be cut, in some cases even cut off. The advisory committee representing such an industry is informed of the facts, in cold figures: how much of the material is on hand in the country, how much may reasonably be

expected from future imports, and what the military needs are.

Committee members are asked if they have any suggestions as to how necessary programs can be put into effect with the least possible dislocation of the industry itself and civilian economy, bearing in mind that the military requirements must be met regardless of the hardship it might work on industry or civilian economy.

In making such recommendations, committee members are concerned chiefly with three points: producing the military requirements as quickly as possible; seeing to it that the quantity of material available is distributed equitably in the industry, so that all plants will receive a share of the business; and making the civilian supply go as far as possible.

Making the most of the greatly reduced civilian supply can be achieved in a number of ways. Simplification of design, whether suits or tin cans, is one way. Eliminating certain civilian uses less essential than others, is another. Reducing the amount of the material in a unit of the finished product is still another. These are all problems with which the men in the industry are most familiar and on which their advice to OPM can be most valuable.

Cross section of industry on committee

Recommendations of such a committee are representative of the industry. That is assured by the way in which the committee is formed. A cross section of the industry is invited to Washington to meet with OPM at which the industry representatives nominate a smaller group for membership on that industry's advisory committee. Before making their nominations, they are advised by the OPM presiding officer that three factors must be represented in the makeup of the committee: the committee must include representatives of large, small, and medium-sized plants; members must come from all sections of the country; and the committee must include nonmembers as well as members of the trade association representing the industry.

The nominations for the committee are purely for guidance and are not binding on OPM. Usually the committee is selected from the nominations, but, sometimes others are added by OPM to make certain that all three of the requirements for the committee membership are met.

Final selection is made by the director of the division in collaboration with the Bureau of Industry Advisory Committees to see that meetings are conducted in accordance with conditions laid down by the attorney general.

All decisions made by OPM

After the committee has been formed by OPM, problems confronting the industry as the result of the war program are taken up. Committee members are free to express their individual or collective opinions but no action is taken on them at the meeting. All decisions are made by OPM when not in conference with the committee.

Committee members serve without compensation.

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Need and availability of women workers in war plants studied

A special series of studies is being made by the OPM Labor Division of the future needs of war plants for qualified women workers and the qualified women available for defense industries, Associate Director General Sidney Hillman announced December 26.

A subcommittee of the OPM's National Labor Supply Committee is planning a program to meet anticipated future needs for women workers, and means to utilize this labor supply. Mary Anderson, chief of the United States Women's Bureau, Department of Labor, is chairman. Other members are Nelle Miles, United States Employment Service, and Thelma McKelvey, labor relations branch of the OPM Labor Division.

"The President's policy of 7-day week operation of war production facilities requires a great expansion of our labor force," Mr. Hillman said, "And I am certain that a great many women will be required for industrial work before many more months have passed.

Proved usefulness in England

"Women have proved indispensable to war production in England, and we must prepare to expand their usefulness to our industries.

"The skills and abilities of women are needed, and we are working on a program to train and employ women for jobs in war industry, which will make their labor available to their country's service rapidly and effectively as they are needed."

The Women's Bureau already has made several studies.

Rockefeller announces three appointments to New York staff

Three new appointments in the Communications Division were announced in Washington December 7 by Nelson A. Rockefeller, coordinator of Inter-American Affairs.

Russell Pierce was appointed associate director of the Communications Division, in charge of administration and projects of the New York office.

John W. G. Ogilvie was named associate director of the Communications Division with special radio responsibilities.

Merlin H. Aylesworth continues as chairman of the Radio Section, and Sylvester L. Weaver becomes director.

All three of the new appointees will be on the New York staff of Don Francisco, director of the Communications Division.

Mr. Pierce helped organize the South American operations of the J. Walter Thompson Co. He was manager for Argentina and later vice president of the domestic company.

Mr. Weaver was formerly advertising manager of the American Tobacco Company. On September 1, he obtained leave of absence to serve as associate director of the Communications Division in Washington.

Mr. Ogilvie assumes the position formerly held by Mr. Weaver but will be located in New York. He has had long experience in the other American Republics, traveling extensively on business in Argentina, Chile, Cuba, and Puerto Rico. He was recently Director of Radio for the International Telephone and Telegraph Company. From 1935 to 1938, Mr. Ogilvie was president of Radio Corporation Puerto Rico.

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Merchants asked not to encourage buying of black-out cloth

R. R. Guthrie, chief of the textiles, clothing, and equipage branch of OPM, again appealed to merchants, wholesale and retail, not to encourage the purchase of black-out cloth.

"All of the yardage of our looms will be needed for our war program," Mr. Guthrie said. "No new materials should be bought for black-out purposes."

Business-paper editors and publishers ready to help in Nation's war effort

"America today is confronted with a task of converting industry into a machine for victory; and in this task the business press of the Nation can play a most conspicuous part."

Donald M. Nelson, executive director of the Supply Priorities and Allocations Board, made this statement to a widely representative group of business-paper editors and publishers who met with him at his office on December 19.

Must outproduce a powerful enemy

"The war," said Mr. Nelson, "has made necessary the full industrial mobilization of America. It means drastic changes in our existing industrial economy. We must think only in terms of outproducing a powerful enemy; and anyone who underestimates the ability of the enemy to produce is kidding himself."

"Industry faces the prospect of producing either war matériel or goods absolutely essential to civilian needs. And civilian needs are going to be judged by this test: 'what is the very least the public can get along with?' This is going to involve dislocations—in some cases tragic dislocations—on a scale we never dreamed of until war became a fact. This job of industrial conversion is one which must be taken up, industry by industry; and preferably by industry itself. In this process, the business press can be most helpful in guiding industry by its advice and seeing to it that the job is done intelligently."

Editors support war effort

The conference with Mr. Nelson was preliminary to the establishment of a standing committee of business-paper editors to cooperate with the Government in the war program. Request for the conference followed discussion at a meeting of the National Conference of Business-Paper Editors held in Chicago December 9. At that meeting—two days after the attack on Pearl Harbor had changed America's defense preparations into an all-out war effort—the editors in attendance went on record as wanting to give their most effective support to the war effort and voted to send to Washington a delegation representative of various divisions of the business-paper field to learn how the industrial press could make itself most useful to the Nation and to industry.

Present at the Washington meeting were the following: James Custer, Chi-

ton Publications; Julien Elfenbein, Haire Publications; H. V. Kappel, Chicago; S. D. Kirkpatrick, "Chemical & Metallurgical Engineering"; G. F. Nordenholt, "Product Engineering"; H. C. Parmalee, "Engineering & Mining Journal"; H. J. Payne, F. W. Dodge Publications; Frank Steinbach, Penton Publications; George Taubeneck, Business News Publishing Co.; Paul Trimble, Donnelly Publications; Douglas G. Woolf, "Textile World"; Paul Wooton, McGraw-Hill Publications.

These men will form the nucleus of an informal advisory committee which will cooperate with the Government in various phases of the war program, particularly in the field of conservation. It will be a flexible committee, to which names will be added from time to time.

After the conference with Mr. Nelson, the editors met with Robert W. Horton, director of the Information Division of the Office for Emergency Management, who outlined ways in which the business press could be of great assistance in the Nation's war efforts. Their publications, he said, could help industry conserve vital materials at the source and could also, through case studies and otherwise, speed up salvage campaigns. They could be the medium through which industry could share its knowledge.

Metal requirements outlined

In the evening, the editors attended a dinner meeting at the Willard Hotel at which officials of the Office of Production Management outlined the metal requirements for the war program—an outline which indicated serious shortages for civilian purposes in most instances—and discussed the various methods of conservation available to industry—simplification, substitution, revision of specifications, and industrial salvage. Speakers included Paul Wooton, president, National Conference of Business-Paper Editors, who presided; T. W. Wilson, Jr., chief, campaigns branch, Division of Information; Paul C. Cabot, deputy chief, Bureau of Industrial Conservation; Harvey A. Anderson, chief, conservation and substitution division; Dr. E. W. Ely, chief, simplification branch; James T. Kemp, consultant, revision of specifications branch, and George T. Weymouth, chief, industrial salvage branch of the Bureau of Industrial Conservation; and Dr. C. K. Leith, consultant on minerals, Office of Production Management.

AGRICULTURE . . .

Plenty of food, little excuse for any substantial price rises, says Wickard

The United States entered the war period with one asset no other Nation has—plenty of food, Secretary of Agriculture Wickard said last week.

"We have on hand the largest total supplies of food in the history of the United States," Secretary Wickard said. "In addition, we have large supplies of feeds in our Ever-Normal Granary and the productive capacity on our farms to add to our food supply on an unprecedented scale. We have plenty for our own people, including the armed forces, and enough more to help feed our Allies.

"The war gets underway at a time when farmers have just completed a record production year and are now planning another record next year. The fact that we still have time to revise our production goals for 1942 before planting begins makes it possible for us to make increases where necessary. We are now studying these goals very carefully in the light of actual war and will plan increased production in any commodity or produce where an increase appears advisable."

"Little excuse" for substantial price increases

"There is little excuse for any substantial increase in the price of agricultural commodities at this time and we will do everything in our power to check speculative increases," Secretary Wickard said.

The Secretary called attention to the current issue of "The National Food Situation," a publication of the Department of Agriculture.

Total supplies of food in the United States are expected to reach a new high level in 1942. Good crops in 1941 and large Ever-Normal Granary supplies have built up large stocks of foodstuffs and feedstuffs. Supplies of high-protein feeds, grain, and hay are larger than a year ago. The supply of feed grains is the biggest in 20 years. Moreover, the number of livestock on farms is increasing, and probably is about 5 percent larger than a year ago. With average pasture conditions in 1942, a material increase in livestock production is to be expected. The national farm program for next year is designed to increase food

supplies for domestic use and for shipment abroad.

Stocks of grains have accumulated

Stocks of grains have been accumulating in recent years since the blockade cut off our European markets. This is especially true for wheat and corn. Since there are no immediate prospects of an outlet for these stocks of wheat, a continuation of about the current level of production or less has been recommended for 1942. The large stocks of corn will provide feed for increased livestock production. The accumulated stocks of manufactured dairy products will be needed for expanding domestic consumption and increasing shipments to Britain. Although stocks of fats and oils are large, requirements for 1942 will also be large. Increased domestic demand and large shipments of lard to Britain may reduce stocks unless imports are increased. Uncertainties of shipping make import increases somewhat doubtful.

Fish catch could be increased

The total commercial production of meats is expected to set a new high record for 1942, and expected improvement in domestic consumer demand, combined with large Government purchases of pork and lard, will give strong support to livestock prices in 1942.

The fish catch of the United States could probably be increased "almost immediately" to 4,628 million pounds and later to 6,200 million pounds compared with 4,443 million pounds in 1939 according to the Fish and Wildlife Service of the Department of the Interior. Recommendations to the industry have been formulated for carrying out this program without increasing materially the capital outlay or cost of operation.

Forecast heavy marketing of chickens

Although current consumption of chicken meat is large, storage stocks are being accumulated more rapidly than usual. Marketings of chickens are expected to continue heavy during the remainder of 1941 and into 1942.

The number of layers on farms next year will be about 10 percent larger than in 1941. Total production of chicken

meat in 1942 may be about 14 percent larger than the 1941 output.

Record milk output expected

Total milk production in 1942 is expected to be the largest on record. This increase will result partly from an expected 3-percent increase in the number of milk cows on farms.

The production of manufactured dairy products in 1942 probably will be the largest on record, mainly because of prospective larger export needs under the lend-lease program. Production of American cheese and evaporated milk probably will increase most.

A milk production goal of 125 billion pounds (7 percent above probable production in 1941) has been recommended for 1942. This quantity of milk would provide not only for the increased requirements for exports in 1942 but also for a record per capita consumption of milk and other dairy products next year.

Fats and oils to be increased

A high level of domestic demand for fats and oils and substantial purchases of lard for export are expected for 1942. With increased livestock slaughter in prospect the output of animal fats and oils will be expanded. Production goals for 1942, moreover, call for increases of 1.1 million acres of soybeans for beans and 1.6 million acres of peanuts. With average crop yields, these increases would provide an additional 500 million pounds of oil.

Increased plantings of vegetables are in prospect for 1942, because of generally higher prices in 1941, and if yields average close to those of 1941, production will be somewhat larger.

Potato crop goal larger

The acreage of potatoes, sweetpotatoes, and truck crops (both for market and for processing) may be increased in 1942. The national goals call for an increase of nearly 5 percent in plantings of potatoes, of 1 percent in sweetpotatoes, about 5 percent in truck crops for market, and 25 percent (revised) in the acreage of truck crops for processing.

Fruit crop about the same

Although it is impossible at this time to determine the size of the fruit crop for 1942, the probabilities are that the total tonnage will be about the same as in 1941. A generally smaller output of deciduous fruits probably will be offset by a larger production of citrus fruits.

HEALTH AND WELFARE . . .

Hoarding food unnecessary, says McNutt; 4-day supply is enough to keep

Following conferences with nutrition officials, Federal Security Administrator Paul V. McNutt, director of Defense Health and Welfare Services, said December 22 a 4-day supply of a few food essentials is all any family needs to keep in stock during war-time.

Emphasizing that hoarding is unnec-

essary since ample foods are and will be available for consumers, Mr. McNutt issued the following list, prepared by the nutrition division, in answer to inquiries as to what nutritionists consider the necessary food allowance for one person for one day and for a family of 4 persons for 4 days.

	Food for 1 person (for 1 day)	Food for a family of 4 (for 4 days)
Milk, evaporated.....	1 can.....	16 cans.
Cheese.....	1/4 jar.....	4 jars (5 ounces).
Dried beans or peas.....	2 ounces dried.....	1/4 pound dried.
	or.....	or.....
	1/2 can baked.....	4 cans baked.
	1 ounce.....	1 pound jar.
Peanut butter.....	or.....	
	2 tablespoons.....	
Vegetables, canned (beans, peas, corn, sauerkraut).....	1/2 can (No. 2 1/2).....	8 cans (No. 2 1/2) (2 of each).
Tomatoes, canned.....	1/4 can (No. 2 1/2).....	4 cans (No. 2 1/2) or 6 cans tomato juice.
Fruit, canned (applesauce, peaches, berries).....	1/4 can (No. 2 1/2).....	4 cans (No. 2 1/2).
Grapefruit juice.....	1/4 can (No. 2).....	4 cans (No. 2)
Dried fruit.....	1/2-pound package.....	1 pound prunes or apricots.
		1/2 pound raisins.
Meat or fish, canned (corn beef, salmon, luncheon meat).....	1/4 pound.....	4-5 pounds.
Cereal:		
Prepared.....	1 cup.....	2 packages
To be cooked.....	1/2 cup.....	1 pound.
Crackers.....	16-20 crackers.....	4 packages or 4 lbs.
Whole wheat crackers.....		2 packages.
Soda crackers.....		Do.
Chocolate bars.....	1 bar.....	16 bars (1 1/2 to 2 1/4 ounces).
Cocoa or chocolate syrup.....	2 tablespoons.....	1 pound can.
		8 ounces.
Sugar.....	2 tablespoons.....	1 pound package
Jam.....	2 tablespoons.....	1 pound jar
Coffee.....	2 tablespoons.....	1 small can (1/2 pound)
Tea.....	2 teaspoons.....	1/4 pound package.

(Stock only foods that will keep. Put bulk foods in glass jars. Protect cartons against moisture.)

2,087 homes completed in week, Palmer reports

Charles F. Palmer, Coordinator of Defense Housing, announced December 24 that 2,087 new publicly financed homes for families of defense workers and enlisted personnel had been completed during the week ended December 20 making a total of 62,444 completed or occupied.

With 425 homes going into construction during the week, the total of publicly financed homes now being built or completed reached 106,352.

Federal funds have already been allotted for 129,154 defense homes.

FHA-inspected privately financed homes started during the week, totaled 3,006. Since January of this year, 210,521 such homes have gone into construction.

President determines need of 465 more homes

President Roosevelt determined December 24 that a need exists for 465 homes for families of industrial defense workers and enlisted personnel in Hartford, Conn., upon recommendation of Defense Housing Coordinator Palmer.

1,550 demountable

In addition the President approved provision of temporary accommodations for 200 families in two localities and 1,550 demountable units in four localities.

Demountable.—Jackson-Flora, Miss., 350; Alton-E. Alton, Ill., 200; Springfield, Ohio, 250; Dayton, Ohio, 750.

Temporary.—Burns City, Ind., 100 trailers; Jacksonville, N. C., 100 trailers.

Order issued aiding completion of privately financed homes

Preference Rating Order P-71, to make materials available to complete privately financed dwellings for which foundations were in place on October 9, was issued December 24 by Priorities Director Nelson.

Details of the plan were announced December 11 by Leon Henderson, director of the Division of Civilian Supply. An A-10 preference rating will be made available for materials necessary to complete certain homes and apartment buildings now under construction which cannot qualify for assistance under the Defense Housing Plan—Preference Rating Order P-55.

At the time of Mr. Henderson's announcement, it was said that application forms (PD-135) and other documents necessary to obtain priorities assistance would be available about December 22 at field offices of the Federal Housing Administration.

Because of the large printing task involved, it was impossible to get these forms to the proper offices on the announced date. Work on them is proceeding as rapidly as possible, and it is expected that field offices will have ample supplies shortly.

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Natural gas supply in Pittsburgh area discussed

J. A. Krug, chief of the OPM power branch, held a meeting in Pittsburgh December 23 to discuss the problem of natural gas supply in that highly industrialized area in relation to military and normal civilian needs this winter.

Officials of major natural gas companies serving the area as well as representatives of the War Department and of the Federal Power Commission attended.

The area is served by Peoples Natural Gas Co., Equitable Gas Co., Manufacturers Light & Heat Co., T. W. Phillips Gas & Oil Co., and United Natural Gas Co.

Natural gas is the principal source of fuel for the steel furnaces and the many other plants in the area engaged in the manufacture of military materials, including alloy steel, tools, gas masks, and airplane parts.

Gas consumption in the area is heaviest in winter, as it is used in thousands of homes for heating.

Among subjects considered were the measures necessary to meet any shortage that may develop.

CIVILIAN DEFENSE

Indifference gone, says LaGuardia, but public must be willing to obey rules

Indifference to civilian defense measures has disappeared overnight, OCD Director LaGuardia said in a press conference December 19, but the public must be impressed with the need for complying with the rules. He discussed with reporters the steps that are being taken to safeguard the civil population.

Excerpts follow:

Mayor LaGuardia. One of the greatest difficulties I encountered was the absolute confidence and belief that there was no need of training air-raid wardens or getting auxiliary firemen, or doing anything about civilian defense, and for three or four months I had to absorb not only indifference but ridicule.

Now, of course, that is over and the situation on the West Coast changed literally overnight. There is one thing I want to make clear, and that is that in this office we can work out the general rules and instructions, but we can only advise and coordinate. This office has no power within the States or municipalities, except through persuasion, to carry out its own instructions. Therefore we must have the full and complete cooperation not only of municipalities and State governments, but also of the press. The radio has been very helpful.

Q. Hasn't the press?

Local conditions important

A. I don't think the press quite understands the necessity of clarification rather than complication.

Q. In what way?

A. I'll stand on that. I'll come to it in a minute, though. For instance, our rules here, and our instructions, and our plans of operation must be general for the entire country. They serve as a guide. Now, every municipality, every city, every locality, every county naturally has its own local conditions, and these general rules must necessarily be modified to some extent in some instances to meet local conditions.

Now, then, to answer your question specifically. In many instances, we have had the press kind of joyfully, may I say, say, "Why, here the OCD in Washington has said so and so, while the local defense council says differently in this instance. There is confusion." There is no con-

fusion on that at all. It is that local conditions differ.

Suitable types of alarms differ

Now, take this. We have had comment on the alarm, what the alarm should be, and suggestions have been made. Now, you cannot make an alarm uniform for the simple reason that that too depends upon local conditions. In some small community, the ringing of bells will be enough. The sounding of the fire gong will be enough. In other communities, a siren will be enough. Now, we find in the very large cities that a siren or a steam horn is not good. It will not spread. The tall buildings just stop it. We had a test in New York City the other day. We were offered a horn requiring 200 pounds of steam. "Well," we said, "we have to test it first," and we did test it. And strange to say, across in Queens it was heard for a good distance, several miles, but in Manhattan it wasn't heard. You see, your acoustics are entirely different in different localities. So that each community will necessarily have to adopt the kind of alarm that is suited for its own needs and local conditions.

But here is one thing that is very important and must be uniform throughout the country, and that is that no alarm is sounded until the Army gives the signal. Now, that was one of the first things that I clarified out on the West Coast, and I don't believe we will have any trouble about that.

Notification of practice alarms

Q. What about all these practice alarms we are having over the country? Is the Army in that situation?

A. No. You see, we have to have practice alarms for several reasons: one, to sound out the sound device that is to be adopted.

Q. I mean by that, if you come out with this statement, "There will be no alarm except on order from the Army from now on," people will think that is an actual thing.

A. No, because you give notice ahead of time if you have a practice alarm. We did the other day.

On the air-raid warden, it is necessary to intensify the training. That means that all communities should have the air-raid wardens report for duty and as-

signed for duty an hour or two each day or overnight in order to get them accustomed and toughened to do the real work should the occasion arise. You can't expect just the enrollment and listening to theoretical lectures to be sufficient to train large bodies of men and women.

The auxiliary fire forces, of course, received their training in the fire houses on the use of fire equipment and in the art of fire fighting. No city as yet has sufficient fire fighting equipment. The bill has been reported favorably in the House and favorably in the Senate, and if it passes, why, we would be able then to ask for the appropriations, and then, when we get the appropriations, we will be able to place the orders, and then, when we place the orders, we will have to wait until we can get the equipment, and that will require some time.

Simple rules must be obeyed

I must stress again the need of full and complete cooperation on the part of the people. Without that the best disciplined or trained air-raid warden service or auxiliary fire force would be helpless. That means the willingness to cooperate, the willingness to comply with rules and to follow instructions. Those instructions are being sent out as fast as we can get them off the press. They're very simple. They're on one sheet, one little leaflet. And again, there might be some slight modification necessary there to meet local conditions. But as a rule, they contain the general line of conduct which would afford the maximum protection to the individual.

I have seen statements made that, well, we haven't equipment. That is true, and there is nothing we can do about it except, as I have told you, to wait for the legislation to go through. That goes for the insignia also. Most of the cities, mine included, were getting donations of the arm bands, but we have no provisions yet for the metal helmets which are necessary for an air-raid warden who is going to remain on the street while everybody else is under cover, under danger of fragments flying from the facing of buildings. I hope that we may be able to get that as soon as we get the bill through and the appropriations.

Q. Is the idea that you're only going to turn (street lights) off when an alarm is given?

A. Unless we are ordered to black-out.

Q. Well, in London it's quite different.

They definitely turn them off. Of course they're closer to the scene of war.

Normal activities continue in black-out

A. I said, "unless we are ordered to black-out." Now here is the difference. On an alarm, of course, they must go off, and that is only on the signal from the Army. Normal activities continue in a black-out. The purpose of an air raid is to paralyze activities. Therefore, if your community was stopped and activities stopped during a regular black-out, it would serve the same purpose. So we must gear ourselves and train ourselves to continue normal industrial, commercial, family, recreational activities, traffic, everything, during regular black-outs, but not during alarms.

Squads to protect mains

Q. Mr. Mayor, in connection with big cities like yours and others on both coasts, have you taken up the matter of protection of the water mains, gas mains, and electric mains, and so forth, of the public utility corporations?

A. Yes. We, in the larger cities, formed—and the instructions from this office have gone out, and many cities have already done it—regular squads, for street repair, water supply, gas, sewage, telephone, and electric. So when we move on an emergency, we move in batteries, just like a fire department has its hose, its pump, its rescue, and everything; we move in batteries, so that when we reach the spot every possible kind of equipment is there.

We have had full and complete cooperation from the private utility companies. Then that battery is supplemented with extra men and personnel from the building trades unions. They supply the extra personnel. We have the regular squads of these companies and functional departments of Government, along with the supplementary force recruited from the building trades.

Cost of civilian defense

Q. Mr. Mayor, can you tell us anything about your budget conference at the White House?

A. Well, it's just a regular budget conference and routine.

Q. Can you tell us how much money may be needed to set up for a year?

A. I don't want to scare you. It's way over the original 77 million dollars because estimates have been presented for gas masks, while we only had an educational order for gas masks in the first estimate. Do I hear somebody ask me how many we estimate now?

Q. We do, your Honor.

A. It's 50 million gas masks now for

the target areas—and the answer to your question is about \$3.75 each.

Q. You don't intend to give them to the public?

A. Yes.

Q. This 50 million is supposed to cover the cities which would be most likely to be bombed?

A. And about 200 miles inside.

Q. That is the two coasts?

A. The coasts and Gulf.

Months required to get gas masks

Q. Is there any information as to whether they can be obtained if you get money?

A. Oh, they have to be ordered.

Q. You mean materials?

A. Yes. In our first estimate, we provided there, I think, about 5 million for getting the educational order and the machinery set in case we needed these others. It will take some time. If I had the money here I couldn't get them tomorrow or the next day or in a month, or in two months, or in three months, or in six months, I don't believe . . . The General (General Gasser, War Department member of the Board for Civilian Protection) reminds me that in his estimates we go right into building the facilities necessary to produce these gas masks.

Q. How long will it be before these can go into mass production and be delivered in any amount?

A. I am only guessing that it is a matter of months. It isn't weeks. I'd say several months.

Panic the worst enemy

Q. We've been having dim-outs here in town. Are they any good?

A. Anything that helps to train the people what to do and how to do it is helpful. But nothing must be done to get people jittery. The worst enemy we have, gentlemen, in an air attack is panic. Now, if we can only avoid fear, disorder, confusion, and panic, while we suffer loss of life, we can certainly keep it to a minimum if we can avoid panic. That is the one big thing we have to avoid, that everyone dreads.

Q. What has the effect of these black-outs on the West Coast been on production? Have you gotten that straightened out yet?

Keeping up production

A. The first night in Seattle they actually stopped it. But on the third night, in Seattle, the blackout was really effective.

Q. Mr. Mayor, have you made an estimate for air-raid shelters?

A. No, we are only working on plans

for that. With our position and the relative position of the enemy, I don't think that it's necessary to go into shelters now. But of course that is being studied.

Q. You were saying that added to all your troubles has been that the public has been apathetic. The trouble of the press is that they don't know just how far to go without frightening the people to death.

A. That is true. Well, one thing—at least give us who are trying to do a job a little bit of cooperation. That would be very helpful. We have no secrets, and anything the press wants to know, we will only be too happy to give them that information.

"We are not holding back"

Q. Mr. Mayor, I've got a kind of general question. I don't know exactly how to put it. Do you feel that we should start right out and do everything possible for civilian preparation, or are you holding back to see how things come on?

A. No. That is a very useful question, I think. We are not holding back anything, and I believe that we should start right now because modern warfare and its new techniques are such that no one can take any chance on anything. Now, the only thing that I said is what we ought to be certain of is whether the Army says that it is prudent to have these gas masks. On the equipment, chances are, and I hope, we'd never need all of it. But I am certainly pressing and pressing hard for that. I am pressing and pleading and begging for intensified training of air-raid wardens and fire auxiliaries and the necessary medical squads to operate during the raid. No, we are not holding back. We can't go fast enough, because no matter how much time we will have, we will not have had enough time.

Q. You don't think it is a matter of alarm to say that you think we ought to have 50 million gas masks? It would be a matter of giving the public confidence.

A. I would say this: If we need masks, we ought to prepare to have a first consignment of 50 million.

Q. The Japs are not going to tell you in advance they're going to use gas bombs.

Yes. General Gasser, what is your opinion on the immediate need of gas masks, from your information from the Army?

General GASSER: Well, I will speak now without any information from the Army. It is my personal opinion that if you are prepared you certainly won't be attacked.

Operation of casualty, first aid field units described in Medical Bulletin No. 2

The second of its official series of instructions for emergency medical care of the civilian population in war, entitled "Equipment and Operation of Emergency Medical Field Units Bulletin No. 2" was issued December 28 by the medical division of the Office of Civilian Defense.

The bulletin explains the duties of local chiefs of Emergency Medical Service, describes the operation of casualty stations and first aid posts, and lists the minimum equipment for emergency medical field units, organization of which was described in the first bulletin "Emergency Medical Service for Civilian Defense" issued in August.

Defense councils asked to adopt plans

The medical division of the Office of Civilian Defense recommends that all defense councils adopt the plans as set forth in these bulletins. Uniformity will make it possible for adjacent communities to pool or exchange their resources, and it is also desirable because of priorities in materials and manufactures. All equipment recommended conforms with that of the Medical Department of the United States Army, the bulletin points out.

Field casualty service

The field casualty service projected by the medical division of the Office of Civilian Defense will be made up of emergency medical field units derived from hospitals in the community. These units will work in casualty stations set up at a predetermined site some distance from the scene of a disaster. The casualty stations will care for persons with minor injuries and those suffering from nervous shock or hysteria until they may return to their homes or to temporary shelters. An important part of the work of these stations will be to keep records of patients treated.

First aid posts

From the casualty stations medical teams may be sent closer to the disaster to set up first aid posts in which severely injured persons may receive emergency treatment before they are sent to hospitals. Here casualties will be classified according to the seriousness of the injuries and directed to casualty stations or hospitals as their condition requires. The instructions emphasize the importance of tagging all casualties immediately, giving all possible information as to their identity, their injuries, and the treatment given.

Equipment for the medical teams who will work in first aid posts has been worked out to provide in easily portable form the essentials for emergency treatment. Replacements will be furnished by casualty stations, which will have on hand larger stores of supplies.

To facilitate the sorting of casualties when they arrive at hospitals, the following symbols have been devised to be drawn on the forehead of injured persons: U—Urgent—requiring priority attention; TK—Tourniquet; T—Indicating tetanus antitoxin has been given; H—Internal hemorrhage; M $\frac{1}{4}$ —Indicat-

ing morphine gr. $\frac{1}{4}$ or, M $\frac{1}{2}$ —Gr. $\frac{1}{2}$ given.

Casualty stations will have on hand bulky equipment that cannot be carried by the first aid groups, such as traction splints, stretchers, collapsible cots, blankets and a reserve supply of drugs and dressings which may be issued to first aid posts as needed.

A tag has been designed which includes information as to identity and provides space for recording diagnosis, treatment, and disposition of the case. The tag is to be filled out at the first aid post and will be attached to the patient before he is transferred to a hospital.

Duties of local chiefs

The local chief of Emergency Medical Service, who functions under the admin-

OCD launches Nation-wide program of youth participation in civilian defense

A Nation-wide program of youth participation in civilian defense was launched December 22 with the conclusion of a 3-day conference of the regional youth representatives of the youth division of the Office of Civilian Defense. The representatives, each attached to a regional branch of the Office of Civilian Defense, met in Washington under the leadership of Miss Jane Seaver and Gilbert Harrison, codirectors of youth activities in civilian defense.

Program for institutions discussed

The conference centered about the discussion of methods to organize young people both in colleges and schools, and in youth agencies through the local communities, for the most complete participation in civilian defense. The conference met with Mrs. Eleanor Roosevelt and Mrs. Henry Morgenthau, Jr.

The college program will be offered to the institutions when the regional youth representatives return to their posts. The basis for this college plan was worked out by Mr. Harrison during his visit two weeks ago to the Pacific Coast, when students and faculty leaders of 22 colleges in southern California met and adopted a plan for organizing their universities to meet the immediate needs for civilian defense in that area.

Tied in with defense councils

The plan for youth participation in the local communities, as well as the college plan, is designed to fit in with the work of local and State defense councils in order to provide for the widest allo-

cation of funds and avoid duplication. In some sections of the country, youth auxiliaries of defense councils have already been set up to cooperate with the city and State defense councils. A second order has gone out asking for the appointment of a youth representative on each State defense council; in Pennsylvania and Maryland such representatives have been appointed to the State defense councils.

January 1 is starting date

Although the official starting date of this entire youth program does not become effective until January 1, 1942, several regional youth representatives have already set the machinery in operation.

From a memorandum being released this week on community plans for youth auxiliary committees under the local defense councils, the following statement is made:

"Total war demands the participation of each American citizen. Young people working side by side with adults can contribute energy and talent to the war effort."

Following are the youth representative appointed to this date. Their regions correspond to the Army corp area:

Region 1—Maxwell Miller, Boston (consultant); Region 2—John McCauley, New York City; Region 3—George Nielson, Baltimore; Region 5—Esther Collicott, Columbus; Region 6—John Langdon, Chicago; Region 7—Merle Miller, Marshalltown, Iowa; Region 8—Alfred Payne, College Station, Tex.

Miss Pauline Redmond of Chicago was named administrative assistant in Washington.

istrative authority of the local director of civilian defense, has 15 specified duties, explained in detail in Bulletin No. 2. Briefly, these officers' duties will be to

Integrate official and voluntary organizations which are to participate in the medical activities into the comprehensive community program.

Help organize emergency medical field units as described in Bulletin No. 1.

Select sites for casualty stations.

Make a map locating hospitals, casualty stations, storage depots.

Plan transportation service for casualties and for medical personnel.

Cooperate with local defense authority in arranging drills of emergency medical field units in cooperation with other civilian defense units.

Make inventory of hospitals and other buildings in adjacent territory to which patients might be evacuated.

Plan courses for volunteers

Assist in planning courses for volunteers in medical activities.

Stimulate recruitment of volunteers for the nurses' aide courses of the American Red Cross and help in placing these aides in hospitals, clinics, health departments and field nursing services.

Assist the local civilian defense volunteer office in training and placement of volunteers in health and medical agencies.

Stimulate and guide first aid training through the Red Cross and other agencies.

Stimulate and guide organization of first aid detachments in industrial plants and similar establishments.

Collaborate with health authorities in protective measures against sanitary hazards.

Collaborate with authorities in plans for evacuation, with particular attention to medical needs of the population.

Keep the community and the participating groups informed of plans and activities.

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Public warned against using gas masks of first world war

Because of reports of the sale to the public of gas masks left over from the first world war, the Office of Civilian Defense Dec. 21 issued the following statement based on information obtained from the Chemical Warfare Service of the United States Army:

"Gas masks that do not bear the approval of the Chemical Warfare Service for use against war gases should not be used regardless of any claims of the manufacturers. See your local defense council officials for advice concerning masks approved by this service.

"Gas masks of the first world war type are now worthless, due to the deterioration of the filling, stiffness, and age of the face piece and other components."

Joint statement outlines relationship of Red Cross chapters to defense councils

A joint statement of policy governing the relationship of Red Cross chapters to State and local defense councils, as developed by the Office of Civilian Defense, the Office of Defense Health and Welfare Services, and the American Red Cross, was issued December 28, as follows:

I. The Red Cross through its chairman as a member of the Civilian Protection Board has made available all of its services as needed by the United States Office of Civilian Defense and State and local defense councils. As illustrative of its national services, attention is called to the programs involving blood plasma, medical technologists, and nursing enrollment. The Office of Civilian Defense and the American Red Cross are agreed that Defense Councils and Red Cross Chapters should develop local plans of cooperation in their civilian defense activities.¹

To avoid duplication in training

II. Recognizing the basic responsibility of government, it is the duty of every Red Cross chapter and branch to aid in the most efficient marshalling of the community's resources. It is agreed that duplication should be avoided in these services and training courses required in civilian defense activities and that the long-established Nation-wide program of the Red Cross should be utilized to the fullest extent.

III. Services required in civilian defense activities will be made available by chapters to defense councils in accordance with the policies herein stated. Chapters will cooperate to the fullest extent and during the period of emergency will operate subject to the authority of the defense councils or appropriate governmental officials. Red Cross at all times will maintain administrative and financial control of its immediate operations.

IV. Chapters should expand Red Cross services and training courses within the scope of their responsibility so that they may be prepared to give such services as needed in the local programs of Defense Councils.

Areas of responsibility

V. In the specific application of the above general policies it is agreed that the areas of Red Cross responsibility shall be:

1. Red Cross chapters will be prepared to function in the following fields of activity in full cooperation with all public and private agencies:

- a. Disaster relief—training and service—food, shelter, clothing, and other necessities of life in the event of disaster, whether occasioned by belligerent action or other cause.
- b. First aid—training.
- c. Nurse's aides—training and service.
- d. Red Cross home nursing—training.

Assistance to defense councils

2. Red Cross chapters will assist defense councils in the following fields on the basis of mutual specific agreements as to lines of responsibility:

- a. Disaster relief—service—will assist

local defense councils in rescue work and emergency medical care.

b. Nutrition aides—training and service.

3. Red Cross chapters will make available to defense councils as needed the services of the following Volunteer Special Service units, which shall at all times maintain the Red Cross unit organization: (See III above).

- a. Motor corps—service.
- b. Production corps—service.
- c. Staff Assistance corps.
- d. Canteen corps and canteen aides—service.
- e. Hospital and recreation corps—civilian hospitals—service.

Services to armed forces

4. Red Cross chapters in their services to the armed forces are fully responsible for the following activities:

- a. Information and claims—service.
- b. Communications and reports.
- c. Consultation on personal and family problems.

5. The functions of Red Cross chapters adjacent to Army posts and Naval stations include the following:

- a. Hospital recreation corps—training and service—in military hospitals.
- b. Motor corps—training and service—service originating on military reservations.
- c. Production corps and staff assistance corps—activities on military reservations.
- d. Participation in Red Cross Camp and Hospital Service Councils.

Status of Junior Red Cross

6. Junior Red Cross:

a. The participation of boys and girls in elementary and secondary schools in Red Cross services through Junior Red Cross programs should be maintained in the same relationship to local defense councils and to the armed forces as is established in this statement with respect to its parent organization. Junior Red Cross activities will be channeled through the local Red Cross Chapter.

b. Red Cross chapters will make available to defense councils as needed those activities of the Junior Red Cross which contribute to the health, welfare, and unity of schools and communities.

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RADIO MEN SOUGHT FOR U. S. MERCHANT SHIPS

Federal Security Administrator Paul V. McNutt on December 19 called upon licensed amateur radio operators to apply at State employment offices for free training in marine radiotelegraphy in preparation for positions as radio operators on America's new merchant vessels. Enrollment of radio operators is a part of the Nation-wide drive to recruit 40,000 trainees to man new merchant ships of the United States Maritime Commission.

¹See Joint Statement of the Director of OCD and Chairman of Red Cross of September 4, 1941—published in DEFENSE September 9.

Businessmen told of advantages offered by Pay-Roll Allotment Plan for Defense Bonds

Business heads are adopting the Defense Savings Voluntary Pay-Roll Allotment Plan as a simple way for every worker to start a systematic and continuous Defense Bond savings program. It is a sensible step, the United States Treasury Department holds, toward reducing the ranks of the post-war needy. It will help spread the financial participation in national defense among all of America's wage-earners. It is expected to retard inflation by "storing" part of our pyramiding national income, thus reducing the demand for our diminishing supply of consumer goods.

All the employer needs to do is offer employees the convenience of having a fixed sum allotted from each pay envelope to the purchase of Defense Bonds. Each employee who chooses to start this savings plan decides the denomination of the bonds to be purchased, and the amount to be allocated from his wages each pay day. The employer delivers a bond to the employee each time his allotments accumulate to a sufficient amount.

The Treasury Department is ready and willing to give all kinds of help. Local civilian committees have been set up in the 48 States. The Treasury will supply most of the necessary material.

Employers are urged to write for the free kit of material being used by companies that have installed the Voluntary Defense Savings Pay-Roll Allotment

Plan. Address: Treasury Department, Section A, 709 Twelfth Street NW., Washington, D. C.

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OPM chiefs praise plan to work war plants on New Year's Day

OPM Director General Knudsen and Associate Director General Hillman commended December 27 suggestions that all plants engaged in military production work full time New Year's Day.

"This sacrifice of a single day's time would produce striking results," Mr. Knudsen said, "due to the fact that production of planes and tanks and weapons of all kinds is now rolling along on a mass production basis.

"For example, as far back as September, United States plants were turning out almost 2,000 (1,914) military aircraft monthly—and the production rate has been rapidly increased.

"That's more than 60 airplanes a day," Mr. Knudsen declared, "more than 60 airplanes which workers in the aircraft industry might send as a New Year's greeting to their own armed forces and to our overseas allies.

"The men in the plants know this firsthand. They know the vital importance of their part in ultimate victory."

Chart shows curtailment in civilian goods

The chart on the front cover of *VICTORY* shows the percentage of curtailment in the production of passenger automobiles and domestic mechanical refrigerators ordered by OPM. Each line of symbols indicates production during the period August 1940 through January 1941. The white symbols at the left of the black arrow indicate the percentage of the previous year's production which is being permitted currently. The symbols over which the arrow is imposed indicate the percentage of curtailment to free materials for war.

Actually 1,928,517 passenger automobiles were produced for civilian use from the beginning of August 1940 to the end of January 1941. The allotment for the 6 months ending January 31, 1942, is 1,074,429—a reduction of 854,088 automobiles, or 44 percent. During the 6 months ended January 1941, 1,275,553 domestic mechanical refrigerators were produced. The quota for 6 months ended January 1942 is 1,033,541—a reduction of 242,012, or 19 percent.

(Mats available for publication)

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TEXTS OF ORDERS

Texts of all official notices of OEM agencies, as printed in the *FEDERAL REGISTER* are carried in the weekly *SUPPLEMENT OF VICTORY*. The *SUPPLEMENT* will be mailed to any paid subscriber of *VICTORY* on request to the Distribution Section, Division of Information, OEM.

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The Secretary of the Navy.

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CIVILIAN SUPPLY DIVISION: Leon Henderson, *Director*.

CONTRACT DISTRIBUTION DIVISION: Floyd B. Odium, *Director*.

LABOR DIVISION: Sidney Hillman, *Director*. RESEARCH AND STATISTICS BUREAU: Stacy May, *Chief*.

BUREAU OF INDUSTRY ADVISORY COMMITTEES: Sidney J. Weinberg, *Chief*.

BUREAU OF INDUSTRIAL CONSERVATION: Lessing J. Rosenwald, *Chief*.

